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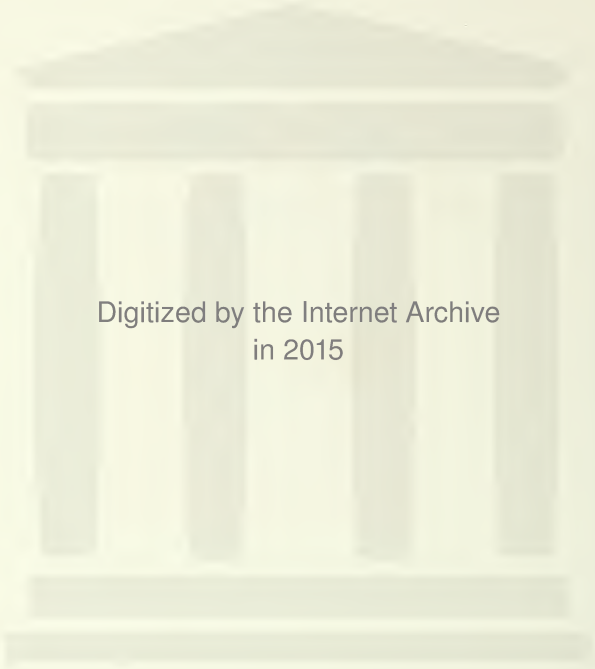

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MINUTES OF THE RETIREMENT BOARD

City and County of San Francisco

770 Golden Gate Avenue
San Francisco, CA 94102

January 10, 1984 10:00 AM

PRESENT	Paul F. Denning	President
	Peter D. Ashe	Commissioner
	Warren DeMerritt	Commissioner
	Meta K. Stanley	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner
ABSENT	Leon Bruschera	VicePresident
	Wendy Nelder, President, Board of Supervisors	

MINUTES Minutes of Regular Meeting - December 13, 1983

ACTION: Approved as Submitted

3 1223 05718 2140

Jack Stoufer, Chief Investments Officer, introduced two new Investments Division employees to the Retirement Board: Ms. Diane Gale, Assistant Chief of Investments, and Mr. Lenard Sabatini, Securities Analyst. President Denning, on behalf of the Board, welcomed Ms. Gale and Mr. Sabatini and wished each success in their new positions.

Mr. John Simpson, speaking on behalf of the Retired Employees Association of San Francisco, thanked the Board and staff for their endorsement and support of Proposition G on the November 1983 ballot and the increase in lump sum death benefit adopted by the Board of Supervisors.

CONSENT CALENDAR

The following items were presented under the Consent Calendar.

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST, NO. 14-83.

b) W.C.A.B. - COMPROMISE AND RELEASE:
Leti Marshall - $2,500.00

c) W.C.A.B. - COMPROMISE AND RELEASE:
James Grant - $1,1682.00

d) W.C.A.B. - COMPROMISE AND RELEASE:
Robert Washington - $1,200.00

e) W.C.A.B. - COMPROMISE AND RELEASE:
Rilla Pritchard - $10,000.00

f) W.C.A.B. - COMPROMISE AND RELEASE:
Yelba Schlocker - $15,000.00

g) W.C.A.B. - COMPROMISE AND RELEASE:
Dealous Vick - $12,500.00

h) REQUEST TO WITHDRAW APPLICATION FOR DISABILITY RETIREMENT:
Ronald McInnis

ACTION: It was moved by Ashe, seconded by Stanley, to approve the Consent Calendar; motion passed, 5-0.

7 45243 SFPL: ECONO JR
206 SFPL 11/22/00 9

ITEM

1) ACTUARIAL REPORT:
Milliman and Robertson - Consulting Actuaries

Mr. William Smith, Consulting Actuary, and Clare Murphy, Staff Actuary, presented a written and oral report to the Board on the experience analysis of the Retirement System as of June 30, 1983. The report covered economic and actuarial assumptions related to the experience analysis, together with a summary of said assumptions and recommended changes.

Board Members and Mr. Smith and Ms. Murphy engaged in a question and answer period and commented at length on various aspects of the report.

ACTION: It was moved by Weisberg, seconded by Stanley, to adopt the Actuarial Report as herewith attached to these minutes.

2) REPORT RE PROPOSED LEGISLATION:

Staff presented a written and oral report to the Board on the current status of proposed charter amendments for the June 1984 ballot and legislation to amend the death benefit provisions of the Administrative Code (Section 16.80.)

a) The Board was furnished a copy of the actuarial cost report prepared by William Smith, Consulting Actuary, re the proposed amendment to Section 16.80 of the Administrative Code relating to death benefits. The Board reviewed and discussed the actuarial cost report and the proposed legislation with Mr. Smith and Clare Murphy, Staff Actuary.

ACTION: It was moved by Weisberg, seconded by Stanley, that the Board recommend its opposition to the proposed amendment to Section 16.80 of the Administrative Code; motion failed to pass, 2-3 (Ashe, DeMerritt and Stanley.)

b) The Board was furnished a list of charter amendments proposed for the June 1984 election which will impact on the Retirement System. Granville DeMerritt and Clare Murphy reviewed and discussed the proposed amendments with the Board.

ACTION: With reference to a proposed charter amendment (Section 8.407) relating to the negotiation of employer-employee relations, it was the consensus of the Board to oppose the amendment if the amendment includes the retirement provisions of the charter; staff to draft a letter on behalf of the Board for the Board's consideration at its next meeting.

ACTION: With reference to a proposed charter amendment (Section 8.559-15 and 8.586-15) relating to payment of retirement, death and other allowances, it was the consensus of the Board that the Board does not favor the proposed amendment.

3) HEARING OFFICER DECISIONS:

a) ASHLEY, Alvin
MUNI RR - Transit Operator
Ordinary Disability Retirement
Effective: July 28, 1983 GRANTED

b) BANKS, James D.
AIRPORT POLICE
Ordinary Disability Retirement
Effective: March 1, 1983 GRANTED

c) BULLARD, Robert L.
POLICE
Industrial Disability Retirement DENIED

d) CARROLL, David D.
FIRE
Determination GRANTED

e) GALLAREAD, Arthur
MUNI RR - Transit Operator
Ordinary Disability Retirement
Effective: October 1, 1983 GRANTED

f) GIESEKER, Stephen F.
POLICE
Determination DENIED

g) GRISELLE,Lewis B.
ASSESSOR'S - Real Property Appraiser
Ordinary Disability Retirement
Effective: January 11, 1984 GRANTED

h) HARROLD, John B.
POLICE
Determination DENIED

i) KAMILATOS, Dennis
POLICE
Industrial Disability Retirement
Effective: July 13, 1983 GRANTED

j) LAMUTH, George R.
FIRE
Industrial Disability Retirement
Effective: October 1, 1983 GRANTED

k) PEASE, Edward F.
FIRE
Industrial Disability Retirement
Effective: May 1, 1982 GRANTED

l) PIERRE, Anna (Widow of Joseph)
MUNI RR
Continuation DENIED

ACTION: It was moved by Stanley, seconded by Ashe, to accept the Hearing Officer decisions; motion passed, 5-0.

4) CONFERENCES AND INSTITUTES:

The Board was furnished a list of the following conferences and institutes:

a) Callan Investments Institute:
San Francisco January 26-27, 1984

b) Municipal Finance Officers Association Annual Public Retirement Seminar:
Monterey, CA February 6-7, 1984

c) National Conference on Public Employee Retirement Systems - 1984 Convention
Bal Harbour, FL March 18-22, 1984

ACTION: It was moved by Ashe, seconded by Weisberg, to authorize Board Members and/or staff to attend the conferences and institutes so indicated and that expenses incurred be paid accordingly.

INVESTMENTS CALENDAR

ITEM

1. REPORT RE BOND MANAGER SELECTION PROCESS:

Staff presented the Board the following items for review and discussion:

a) Projected Time-Table for Selection Process
b) Bond Manager Questionnaire
c) Criteria for Weighting Variables for Bond Manager Ranking

ACTION: No action taken; however, by consensus, the Board approved the items set forth above.

2. FINAL REPORT RE MGIC CALIFORNIA RESIDENTIAL MORTGAGE PLAN:

Jack Stoufer, Chief Investment Officer, rendered a written and oral report to the Board on the final status of the MGIC California Residential Mortgage Plan, said Plan having been accorded a Double A (AA) rating from Standard and Poors.
Following a discussion of this item between Mr. Stoufer and Board Members, staff was instructed to inform Mayor Feinstein of the results of the mortgage plan.

ACTION: No action; information item only.

3. REPORT RE DISTRIBUTION OF FUNDS TO EQUITY MANAGERS:

ACTION: Over to meeting of January 31, 1984.

SUPPLEMENTAL CALENDAR

ITEM

1) W.C.A.B. - COMPROMISE AND RELEASE:

Loretta Hanks - $5,000.00

ACTION: It was moved by Weisberg, seconded by Stanley, to approve the compromise and release; motion passed 5-0.

2) W.C.A.B. - COMPROMISE AND RELEASE:

Frank Panacci - $4,000.00

ACTION: It was moved by Weisberg, seconded by Stanley, to approve the compromise and release; motion passed 5-0.

3) CORRECTION OF BIRTHDATE:

Margaret L. Brady - March 20, 1923 to March 20, 1918.

ACTION: It was moved by Stanley, seconded by DeMerritt, to approve the correction in birthdate; motion passed 5-0.

4) REQUEST TO WITHDRAW APPLICATION FOR DISABILITY RETIREMENT:

Gene W. Nahl

ACTION: It was moved by Stanley, seconded by DeMerritt, to approve the request to withdraw application for disability retirement; motion passed 5-0.

GENERAL MANAGER'S REPORT

Granville DeMerritt, Acting General Manager, distributed two communications to the Board, one from Mayor Feinstein regarding the Retirement System's performance for the 1982-83 Management-By-Objectives System, and the other a request from the San Francisco Police Officer's Association to amend Board Rule 6.06 concerning applications for disability retirement.
The Acting General Manager informed the Board that he would report back to the Board at its next meeting concerning the two communications.

CLOSED SESSION

At this point in the meeting, the Board went into closed session to review and discuss personnel matters concerning the Investments Division.

OPEN SESSION

The Board reconvened in open session and announced that it had received notification from the Acting General Manager that Jack Stoufer, Chief Investment Officer, had announced his intention to resign from City service, effective on or about January 31, 1984.
In addition, by motion made by Weisberg, seconded by DeMerritt, staff was instructed to report back to the Board at its next meeting with a recommendation concerning the advisability, in light of Mr. Stoufer's resignation, of retaining an outside bond portfolio advisor or consultant; said motion being passed by a vote of 5-0.

There being no further business, the Board adjourned its meeting at 4:50 PM.

Respectfully submitted,

Granville DeMerritt
Acting General Manager

NOTE: Transcript of meeting contains reference to meeting items.

Court Reporter: Carolyn Wilson, CSR.

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CITY AND COUNTY OF SAN FRANCISCO
EMPLOYEES' RETIREMENT SYSTEM
EXPERIENCE ANALYSIS

As of June 30, 1983

MILLIMAN & ROBERTSON, INC.
CONSULTING ACTUARIES

SUITE 200
44 MONTGOMERY STREET SAN FRANCISCO, CALIFORNIA 94104
415/362-1407

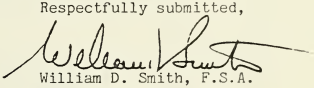
January 10, 1984

Retirement Board of the
City and County of San Francisco
Employees' Retirement System
770 Golden Gate Avenue
San Francisco, California 94102

Enclosed is our report to the Board of the experience analysis as of June 30, 1983. This report is based on the data given us by the System's staff, which we have limited ability to verify.

We offer recommendations for each item. We would be happy to discuss our report or to answer questions with the Board or any others who are interested.

Respectfully submitted,



William D. Smith, F.S.A.
Member of the American
Academy of Actuaries

WDS:jt
enc.

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CITY AND COUNTY OF SAN FRANCISCO
EMPLOYEES' RETIREMENT SYSTEM

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Copy of Memorandum to Board - December 12, 1983

SECTION I - EXPERIENCE ANALYSIS - ECONOMIC ASSUMPTIONS

Included in this section is discussion of those assumptions which are economic in nature. It should be noted that we are not economists so it might be helpful to subject this part of the experience analysis to economic review. It would also be helpful to ask for comments from others interested in the costs of the system.

The economic assumptions used for the June 30, 1982 valuation were:

Consumer Price Index Increases	6.0%
General Wage Increase = CPI + 1.5%	7.5%
Investment Yields = CPI + 2.5%	8.5%

In our previous report, we discussed the fact that the absolute level of inflation, salary inflation and investment yields is less important to the cost of the pension plan than the relationship between the last two. Consequently, the inflation rate was set at an apparently reasonable level for the future, 6%, and attention was concentrated on the "real" wage inflation and "real" investment returns, which is the amount above CPI increases.

A. The CPI

Is 6% a reasonable estimate for the rate of increase in the CPI over the next two decades? The increases in the CPI in the recent past have at times been near zero. From August 1982 to August 1983, the increase was 0.6% for San Francisco - Oakland and 2.6% for the United States average. Does this mean that inflation is under control and our assumptions should reflect that by a reduction in CPI increases to 3% or even lower?

We think it is not appropriate to reduce the CPI rate. There is at least one strong economic indicator that inflation levels have not been reduced. That indicator is the current high level of interest rates which are above 10% and have remained so for a number of years. That is a strong indication that at least the investment market disbelieves a low level of inflation. Further, it is hard to believe inflation is low from personal experience - prices of almost everything appear to be continuing to increase. Finally, for all economic factors it is the long range that is important and current levels of inflation seem likely to be short range.

CPI increase rates over the last three years have been 7.1% per year for San Francisco - Oakland and 6.6% for the United States. Those are slightly below the 7.9% and 7.8% rates for the same locales between 1970 and 1980. We believe the 6% assumption should be continued, and even that presumes a slightly lower rate than the recent past, except for the last year.

B. SALARY INFLATION

The table below is an extension of a similar table in our experience analysis as of June 30, 1980. The extension is the inclusion of the years 1980 to 1983.

Average Annual Increase Rates

Period	Cons. Prices		General wage Increases						
	U.S.	SF/Oak	Pol/Fire	Muni	Females	Crafts	Male Msc.	Weighted Average	US Total
1950-60	2.1%	2.7%	6.6%	5.6%	5.4%	6.8%	5.6%	5.8%	4.3%
1960-70	2.8	2.8	5.6	5.6	4.5	5.1	3.6	4.6	4.4
1970-80	7.8	7.9	6.8	8.4	6.6	5.8	6.2	6.6	7.3
1980-83	6.6	7.1	8.6	6.1	10.7	9.2	8.9	9.1	9.1
1950-83	4.4	4.7	6.5	6.5	5.9	6.2	5.5	6.0	5.9

The rate of wage increase above inflation measured as the difference between the weighted average of all City employees less the CPI increase was:

	Wage Less US CPI	Wage Less SF/Oak
1950-60	3.7%	3.1%
1960-70	1.8	1.8
1970-80	-1.2	-1.3
1980-83	2.5	2.0
1950-83	1.6%	1.3%

San Francisco employees did well in the 50's, slightly above average in the 60's, lost ground in the 70's, and recovered some in the last three years. The long range average is 1.6% above U.S. inflation and 1.3% above San Francisco - Oakland inflation. The difference between San Francisco employees and the United States Average is very small over the whole period, as would be expected.

We believe the present assumption of 7.5%, 1.5% above the assumed 6% for price inflation, continues to be appropriate for future wage inflation.

INVESTMENT RETURN

The table below shows total returns year by year on both a "book" and "market" basis. Book is defined as amortized cost for bonds and cost for stocks, while real estate is revalued periodically. We propose to continue this table every year indefinitely.

The results of this calculation depend only on the beginning and end of year assets and the net cash flow of funds (non-investment only). The results will be different from those shown by investment advisors since these assets are on the "accrual" basis and include receivables and payables not investable. These figures are on the basis from which actuarial assumptions must be determined.

	End of Year Assets (Figures in 000's)				
Date	Book	Market	Net Cash Flow*	Book Yield	Market Yield
6-30					
1972	$ 579,282	$ 501,689(est)			
1973	628,156	544,017	24,456	4.13%	3.48%
1974	624,247	526,185	-22,143	2.98	0.80
1975	666,499	584,111	11,209	4.90	8.78
1976	724,413	639,961	25,982	4.70	5.00
1977	800,626	721,838	38,797	5.03	6.54
1978	876,740	750,071	33,439	5.22	-0.70
1979	964,809	862,999	37,300	5.67	9.84
1980	1,105,076	982,809	60,449	8.03	6.64
1981	1,243,739	1,060,791	45,191	8.29	1.73
1982	1,385,584	1,124,590	45,464	7.61	1.69
1983	1,589,987	1,639,268	71,352	9.37	38.30
*non-investment only.		Average 1972-1983		5.98%	7.03%

The time weighted average of the above figures for eleven years is 6.0% on the book basis and 7.0% on the market basis. The very high 38% in 1983 on the market basis was a result of a major shift in market values. It should not be expected that increases like that will continue - in fact, an offsetting negative is very likely within a short time.

The book basis 6.0% yield is a good measure of yield over the eleven years. During that period the CPI grew at a rate of 8.4%, so the "real" yield after inflation was negative during the period. That is not true of new investments made during the period which doubtless showed a positive real yield. Over a long enough time span cycles will balance out such an effect, but during any period as short as eleven years, the comparison of CPI increases with yields is likely to be misleading.

During the 55 years from 1926 to the end of 1981, a fund invested 25% in the Standard and Poor's stock index and 75% in long term corporates would have earned a total return of 5.0% per year while the CPI increase averaged 3.0% per year over the same period. Thus, such a fund would have achieved a 2.0% real return. A fund in bonds only would have achieved only a 0.6% real return per year, and bonds only was the tendency for large public funds for most of that period.

This Board is attempting to improve investment performance. Based on an assumption that real yields will be larger than long range averages over the next few years and on the assumption the Board's investment policy will move toward selection of securities with higher real yields, a real yield of 2.5%, 0.5% higher than the long range average of a fund 25% in stocks was chosen for the last valuation. We do not believe the results of the past year or two indicate a need to change that assumption. Further expansion on a permanent basis into higher yielding security types might indicate assuming a higher real yield within a few years.

The results of the last year will produce actuarial gains because the book yield was 9.4% against the 8.5% assumption and salary inflation was 5.43% for police and fire and 6.5% for miscellaneous against a 7.5% assumption. Both yield and salary results will cause a gain. Neither is significant enough to suggest a change in assumptions since a year is too short a period to be meaningful.

RECOMMENDATION

Our discussion leads to the following recommendations:

CPI Increase:	6% per year
Wage inflation:	7.5% per year (1.5% real)
Total return:	8.5% per year (2.5% real)

SECTION II - EXPERIENCE ANALYSIS - ACTUARIAL ASSUMPTIONS

A. Introduction

The San Francisco Retirement System covers a number of different types of employees. For some of the actuarial assumptions differences are expected between the types of employees, primarily prior to retirement. After consideration of the problems involved, it was decided to use the six groups described below for the 1981 valuation. That decision was made without the advantage of any experience, and at some future time it might be appropriate to change the groups if the need is indicated by experience. The description of the groupings follows:

Active Employess

1. Police officers
2. Fire officers
3. Municipal Railway Platform Employees
4. Females - these employees are selected from among those groups left after groups 1, 2, and 3. There are a few females in groups 1 and 2 and a higher proportion in group 3. It is presumed that all pre-retirement assumptions are idential for such employees whether they are male or female.
5. Craft Workers - this group is all male and includes those employees who are "blue collar" workers. This means workers who use tools of some sort in their work. It would include the street sweepers, the crafts such as plumbing, electrical, carpentry, and the agricultural workers. Excluded from this group would be any females who happen to have that kind of job. Also excluded would be craft or construction workers whose job is essentially supervisory.
6. All others - this group is all male and would be primarily white collar, clerical, management, and supervisory.

In the experience analysis the assumtions applying to each of the above groups will in most cases differ prior to retirement. The economic assumptions will be identical for all groups, of course.

Shown in the table which follows is the number and abbreviated name of the groups and the number of years exposed to risk in the group for the analysis for the year ending June 30, 1983.

Name	Years of Exposure
1. Police	1,956
2. Fire	1,469
3. Muni	1,725
4. Female	6,578
5. Craft	2,269
6. White Collar - Male	6,240
TOTAL	20,237

An employee count of 21,276 as of January 1, 1983, was given to us by the system. Our exposure count would not be expected to match an employee count exactly, but the two numbers should be closer than shown. We have not been able to determine the cause for the difference, except that the problem is with miscellaneous employees - the exposure count is about 6% low for miscellaneous employees.

Retired Employees and Beneficiaries

The groupings selected for retired members and beneficiaries are different from active members. Mortality is the only assumption studied. The groupings and numbers are:

	Years of Exposure	January 1, 1983 Count
1. Police - service	601	599
2. Fire - service	579	584
3. Female service and female beneficiaries	5,287 } 9,506	9,393
4. Male service and male beneficiaries	4,219	
5. Police disability	610	601
6. Fire disability	542	531
7. Miscellaneous disability	1,164	1,164
TOTAL	13,002	12,872

The numbers are quite close between exposure and system counts. We would have preferred studying the mortality of muni railway and craft members separately, but the data do not include information with which that can be done.

Some further general comments may be helpful. The assumptions being tested were set from an analysis as of June 30, 1980 of the previous two years. We had no experience with the system and its data, and there was considerable difficulty in handling the data. The assumptions were set after considering the assumptions used in previous reports, general knowledge of what might be expected based on other plans' experience, and results of the experience analysis - much of which was inconclusive. Each assumption was set after the experience analysis was done, so there was no actual to expected comparison from that work. Therefore, this study is the first of a series of continuing comparisons between assumptions and results.

Whenever there is a difference between assumptions and results, there are three possible reasons:

1. A chance fluctuation - even if the assumption is correct in the long run, there will be variations in both directions from year to year.

2. Faulty data - this can result from problems with the data used in the exposure to risk, the formulas used to calculate the expected, or the count of the actual results. Data problems with this system are severe enough to offer little confidence. This is not meant as a criticism of the system's staff, but only a recognition of the situation. Information for members in the system comes from a very large number of sources, few of which are motivated to provide the large amount of time for precision data. Consequently, there are certain to be errors and misunderstandings about the meaning of information given.

3. A table of rates not equal to the long range results.

It is, of course, discovery of the third reasons that is the purpose of the study. But for each assumption, ruling out the possibility that a given result is one of the first two reason is not easy. As a result, a long series of studies is necessary to keep the valuations a reasonable representation of the real world. A further problem is that many of the assumptions are, in addition to fluctuating from year to year, also changing over time.

The result of the above thoughts should convince the Board that little conclusive results occur from study of a single period - it is the continuing studies that are useful. When an assumption varies in the same direction for a number of successive studies, then the need for a change becomes more certain.

B. Salary Merit Increases

Merit salary scales may also be described as salary progression and promotion scales and are exclusive of inflationary increases. The scales adopted for the 1981 valuation, shown below, are based on years of service and reflect the average increases due to individual progression and promotion within the system.

Police and firefighters have defined grades through which they progress in their first years, and from there on the only other non-inflationary increases will be promotional (i.e., to lieutenant, captain, etc.).

The initial study of salary scale was by age. It was decided to use a scale strictly by years of service. The study should have been revised this time, but the problem was discovered too late. Therefore, we are analyzing by age and estimating the effect by service. The rates are higher during the first 5 years of service. An average result during the first 5 years is compared below with the assumption of the second year.

	During First 5 Years					
	Police	Fire	Muni	Misc. Females	Craft	Misc. Males
Rate Observed	2.0%	2.0%	2.2%	5.4%	2.2%	7.6%
Assumption 2nd Year	2.0	2.0	2.0	4.0	2.0	5.0

Analysis of the results after 5 years follows. "Worst Case" refers to the highest rate of change observed between two age groups, and "average" refers to the rate observed between the youngest and oldest age groups for which there are enough members to give significant results.

	Analysis of Increase Rates after 5 Years of Service					
	Police	Fire	Muni	Misc. Females	Craft	Misc. Males
Present Assumption	0.7%	0.7%	0.5%	1.0%	0.6%	2.0%
Worst Case	0.8	0.9	0.5	0.9	0.9	1.2
Average	0.7	0.7	0.4	0.5	0.5	0.7

Our comments are:

1. Police - results are close to expected, no change recommended.

2. Fire - results are close to expected, no change recommended.

3. Muni - results during first 5 years appear slightly higher than assumption, but well within fluctuation limits. No change recommended.

4. Miscellaneous Females - results before 5 years are higher than assumptions and lower after 5 years. A new scale is recommended below.

5. Craft - within fluctuation limits. No change recommended.

6. Miscellaneous Males - results before 5 years are higher than assumptions and lower after 5 years. A new scale is recommended below.

In addition, we observe very few merit increases after age 55 for any group and recommend that all increase scales stop at 55.

	Proposed New Merit Increase Scales					
Years of Service	Police	Fire	Muni	Misc. Females	Craft	Misc. Males
1	2.0%	2.0%	3.0%	6.0%	3.0%	9.0%
2	2.0	2.0	2.0	5.0	2.0	7.0
3	2.0	2.0	0.5	4.0	0.6	5.0
4	2.0	2.0	0.5	2.0	0.6	2.0
5 to age 55	0.7	0.7	0.5	0.8	0.6	1.2

The effect of the recommendations will be a minor increase in cost for Miscellaneous Males and females and a very small decrease for the rest.

	Salary Merit Increases Used in Previous Valuations					
Years of Service	Police	Fire	Muni	Misc. Females	Craft	Misc. Males
1	2.0%	2.0%	3.0%	5.0%	3.0%	7.0%
2	2.0	2.0	2.0	4.0	2.0	5.0
3	2.0	2.0	0.5	3.0	0.6	3.0
4	2.0	2.0	0.5	2.0	0.6	2.0
above 5	0.7	0.7	0.5	1.0*	0.6	2.0*

*zero at age 55 and after

C. Rates of Withdrawal

Rates of withdrawal or termination are difficult to determine with precision because they are affected by economics, attitudes, availability of other jobs, and probably many other causes. They fluctuate between years often by factors of 2 or more. The rates in use were set in 1980 from data and a new system in which there could be many problems. As a result of these concerns, we should not be surprised to see large fluctuations, and there were some. We show below the overall results of the last two years. The expected was calculated only for 1982-83, but should not be too much different for the previous year.

	Number of Withdrawals					
	Police	Fire	Muni	Misc. Females	Craft	Misc. Males
Expected 1982-3	69	7	80	475	59	381
Actual 1982-3	67	4	41	214	48	172
Actual 1981-2	59	14	57	315	57	271

Our comments are:

1. 1982-3 and to a lesser extent 1981-2 were recession years, and termination rates are usually low in such years. The results of 1981-2 are probably more typical of long range results, and even they might be low.

2. The results for Police, Fire, and Crafts are close to expected or within normal fluctuation limits, so we suggest no change.

3. The results for Muni, Females, and Males are all about 70% of expected in 1981-2 and 50% in 1982-3. There was a significant loss in 1981-2 for the Miscellaneous plan, a good part of which is probably explained by the low termination rate. The 1982-3 results will probably show an even greater loss. Since the two years in question are suspect because of economic conditions during the period, we should not be too quick to change rates since future studies may show higher rates. However, the results appear so low that we are led to suggest a reduction in rates of these three categories to 80% of present rates. The cost of the Miscellaneous plan will increase as a result.

D. Rates of Withdrawal of Contributions

There is no study of this assumption. Rates were set after discussion with the staff, and there appears no reason to change the rates.

E. Active Mortality Rates

This is not an important cost element and thus not an important assumption. The results shown below are within normal fluctuation limits, and no change is recommended

	Active Mortality					
	Police	Fire	Muni	Misc. Females	Craft	Misc. Males
1982-3 Expected	3.9	3.9	5.2	11.9	14.1	27.7
1982-3 Actual	6	-	6	16	9	25
1981-2 Actual	3	1	4	15	5	16

F. Active Disablement Rates

Only those not yet eligible for service retirement are exposed to disability. The results are shown below.

	Active Disablement		
	Police	Fire	Miscellaneous
1982-3 Expected	24.9	12.1	47.2
1982-3 Actual	5	6	53
1981-2 Actual	10	10	53

Since the numbers involved are small, not much significance can be attached to them. The Miscellaneous rates appear within fluctuation limits. The lower results for Police/Fire are related to a more severe set of requirements for disability retirement. If there is expected to be a permanent lower rate, perhaps the assumption should be changed. That decision would be based more on expected attitudes in the future than on this study. Therefore, we have no recommendations until after discussion with the Board.

G. Level of Duty Disability Benefits

Earlier reports assumed 55% of pay for Police and 60% for Fire. There is no reason to change.

H. Mortality of Service Retirees, Disability Retirees, and Beneficiaries

There are seven different assumptions for these groups. The present assumptions and results are shown below.

	1981-2			1092-3			1981-3
	Exp.	Act.	Ratio	Exp.	Act.	Ratio	Ratio
Police Service	15.3	17	111%	15.6	25	160%	136%
Fire Service	21.4	18	84	21.6	18	83	84
Female (Svc. & Ben.)	172.0	212	123	183.6	189	103	113
Male (Svc. & Ben.)	184.9	220	119	191.7	176	92	105
Dis. Police	12.2	18	148	12.3	14	114	131
Dis. Fire	16.5	11	67	17.1	18	105	86
Dis. Misc.	52.8	33	63	54.0	50	93	78

For each category at least one of the years of experience is within normal fluctuation limits. For the two years taken together, three of the categories raise questions:

1. The Police service rate assumption appears low and was set in 1980 without much information. The present assumption is a little lower than other similar systems. We recommend moving to GA71(-1) (from -2). That recognizes part but not all of the experience. This change will decrease the cost of the Police plan 1% to 2% of payroll.

2. The table for Female service retirees and female beneficiaries appears low. However, the experience indicates a rate higher than experienced by other plans. To change the rate would decrease the cost. We recommend waiting to see if the present experience is repeated in the next experience analysis.

3. The current rate for Miscellaneous disability retirees appears high. There was a loss in the 1982 valuation and this result is partly responsible. The rate was a combination of that used in previous valuations. We recommend changing the rates to 80% of the previous rates.

I. Retirement Rates

The data given for retirements included only a small portion of those who actually retired, and it was not possible to obtain information in time for this study. Since the assumption is important, we suggest it be studied before the next valuation. The study will have to be done by hand since the machine records do not now include all the information needed. For now we see no alternative to continuing use of the present rates.

J. Expenses

Starting in the 1983-4 year, administrative expenses of operating the system will be taken from Retirement System funds. Before, they were paid from city general funds. The change requires a new assumption.

Administrative expense for 1982-83 was about $2.0 million, close to 0.4% of the $517.3 million of covered payroll. We suggest 0.4% of payroll as the assumption. Note that the investment yield assumed is net of investment expenses, so that investment expenses are not covered by the 0.4% assumption.

CITY AND COUNTY OF SAN FRANCISCO
EMPLOYEES' RETIREMENT SYSTEM

SECTION III - SUMMARY OF ASSUMPTIONS AND RECOMMENDED CHANGES

		Present Assumptions	Recommended Change
I.	Economic Assumptions		
	A. Consumer Price Index Increases	6%	
	B. Inflation Element in Wage Increases	7½%	
	C. Investment Yield (Return on Investments)	8½%	
	D. Expected Future Growth in Number of Employees	0%	
II.	Actuarial Assumptions		
	A. Introduction and Data Analysis		
	B. Salary Merit Increases	Tables B-2	Msc. Males & Females (P. 9)
	C. Rates of Withdrawal	Tables B-3	Msc. Male/Female Muni x .8
	D. Rates of Return of Contributions after Withdrawal	Tables B-2	
	E. Active Mortality Rates		
	Type 1, 2,3, and 5	GAM71M(+0)	
	Type 4	GAM71F(-1)	
	Type 6	GAM71M(-1)	
	F. Active Disability Rates	Tables B-4	
	G. Level of Duty Disability Benefits (Police and Fire Only)		
	Police	55% of pay	
	Fire	60% of pay	
	H. Disabled Life Mortality Rates	Tables B-5,6,7	Msc. Males & Females x .8
	Retired Life Mortality Rates		
	Female Retiress	GAM71F(-1)	
	Male Retirees	GAM71M(-1)	
	Fire	GAM71M(+0)	
	Police	GAM71M(-2)	to GAM71M(-1)
	Beneficiary Mortality		
	Female	GAM71F(-1	
	Male	GAM71M(-1)	
	I. Retirement Rates	Tables B-8	
	J. Expenses		0.4% of payroll
	K. Percentage Married at Death or Retirement		
	Male (spouse 3 yrs younger)	95%	
	Female (spouse 3 yrs older)	80%	

III. Actuarial Cost Method

Entry age normal cost with funding of unfunded actuarial accrued liability as a level percentage of payroll over a period ending June 30, 2000.

* Tables listed in 1982 Valuation Report, Section B

MILLIMAN & ROBERTSON, INC.
CONSULTING ACTUARIES

SUITE 200
44 MONTGOMERY STREET SAN FRANCISCO, CALIFORNIA 94104
415/362-1407

December 12, 1983

MEMORANDUM

TO: Retirement Board of the City and County of San Francisco

FROM: Willliam D. Smith, F.S.A.

The economic assumptions recommended in our memo of October 18, 1983 were adopted by the Board and offered for comment to everyone interested. The reactions have been positive. Those assumptions, unchanged from the previous valuation, will be used for this year's main valuation. Those assumptions are:

Future CPI increases @ 6%
Future wage inflation @ 7½%
Future investment yields 8½%

We also propose to test alternates which test the relationship between wage inflation and investment yields. The proposed valuations are shown in the following display:

	Investment Yields		
Wage Inflation	7½%	8½%	9½%
6½%		Alt.	
7½%	Alt.	Main	Alt.
8½%		Alt.	

For each valuation there will be an analysis of the gain or loss from all sources, and the gains and losses from investment yields and salary inflation are readily determined. Also, any unusual event such as a plan change will need analysis to determine its effect - last year's Proposition F change is an example.

We will be analyzing the effect from July 1, 1981 through June 30, 1983 of some of the other assumptions. We intend to concentrate on the following:

1. Service retired mortality
2. Disability retired mortality
3. Active mortality
4. Beneficiary mortality
5. Disablement rates
6. Retirement rates
7. Withdrawal rates

We had hoped to have those studies ready by now, but it will require a few weeks more. We expect to be ready by the Board meeting scheduled for January 10, 1983.

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RETIREMENT BOARD

CITY AND COUNTY OF SAN FRANCISCO

770 GOLDEN GATE AVENUE, ROOM 250

TUESDAY, JANUARY 31, 1984

9:00 A.M.

Paul F. Denning	President
Leon Bruschera	Vice-President
Peter D. Ashe	Commissioner
Warren DeMerritt	Commissioner
Meta K. Stanley	Commissioner
Raymond L. Weisberg, M. D.	Commissioner
Wendy Nelder	President, Board of Supervisors
Granville DeMerritt	Acting General Manager Retirement System

R E T I R E M E N T B O A R D

REGULAR MEETING

January 31, 1984

9:00 A.M.

MINUTES

Minutes of January 10, 1984 submitted for approval.

QUARTERLY INVESTMENT MEETING

INVESTMENT CALENDAR

ITEM

I. PRESENTATION BY EQUITY INVESTMENT MANAGERS RE EQUITY INVESTMENTS FOR QUARTER ENDING DECEMBER 31, 1983:

9:00 A.M. Eaton & Howard, Vance Sanders, Inc.

9:30 A.M. Loomis, Sayles & Company

10:00 A.M. Crocker Investment Management Corp.

II. REVIEW AND DISCUSSION OF BOND PORTFOLIO AND TRANSACTIONS FOR THE QUARTER ENDING DECEMBER 31, 1983.

III. REVIEW AND DISCUSSION OF INTERNALLY MANAGED COMMON STOCK AND CONVERTIBLE BOND PORTFOLIO FOR THE QUARTER ENDING DECEMBER 31, 1983.

IV. REVIEW AND DISCUSSION OF CALIFORNIA RESIDENTIAL MORTGAGE PORTFOLIO AND FORWARD COMMITMENTS.

V. RECOMMENDED INVESTMENT POLICY AND ALLOCATION OF FUNDS FOR THE PERIOD ENDING APRIL 30, 1984.

ACTION:

VI. REPORT RE DISTRIBUTION OF FUNDS TO EQUITY MANAGERS.

ACTION:

VII. PROGRESS REPORT RE RESPONSE TO BOND MANAGER QUESTIONNAIRE.

ACTION:

CONSENT CALENDAR

All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Retirement Board and will be acted upon by a single vote of the Board. There will be no separate discussion on these items unless a member of the Board so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.

ITEM

a) VOLUNTARY SERVICE RETIREMENT LISTS, Numbers 15-83 and 16-83.

b) W.C.A.B. - COMPROMISE AND RELEASE:
William Richardson - $8,500.00

c) W.C.A.B. - COMPROMISE AND RELEASE:
Stephen Bauer - $500.00

d) W.C.A.B. - COMPROMISE AND RELEASE:
Eunice Newton - $1475.00

e) W.C.A.B. - COMPROMISE AND RELEASE:
Douglas Summers - $6,500.00

f) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:
Richard Petrocchi - $758.37

g) REQUEST TO WITHDRAW APPLICATION FOR ORDINARY DISABILITY RETIREMENT:
William Pasquinelli

h) CORRECTION OF BIRTHDATE:
William Willis

i) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
William M Berry, Jr.

ACTION:

REGULAR CALENDAR

ITEM

1. ADJUSTMENT OF RETIREMENT ALLOWANCE:

   Horace Graupner -

   ACTION: (Ballot Vote)

2. ADJUSTMENT OF RETIREMENT ALLOWANCE:

   Daniel O'Brien

   ACTION: (Ballot Vote)

3. HEARING OFFICER DECISIONS:

   a) ALLEN, Levi D.
      MUNI RR - Transit Operator
      Ordinary Disability Retirement
      Effective: October 8, 1983 — GRANTED

   b) CHAN, Shuman L.
      MUNI RR - Fare Collections Receiver
      Ordinary Disability Retirement
      Effective: July 1, 1983 — GRANTED

   c) FOSTER, Paul W.
      Police Officer
      Industrial Disability Retirement
      Effective: September 8, 1983 — GRANTED

   d) KAHN, John D.
      S.F.U.S.D. - Teacher
      Ordinary Disability Retirement — DENIED

   e) NOBLE, Earnestine
      S.F. General Hospital - Clerk
      Ordinary Disability Retirement — DENIED

   f) O'CONNELL, William
      S.F.U.S.D. - Custodian
      Ordinary Disability Retirement — DENIED

   ACTION:

4. REPORT RE MAYOR'S LETTER ON 1982-83 MANAGEMENT-BY-OBJECTIVES:

   ACTION:

5. REQUEST FROM POLICE OFFICER'S ASSOCIATION TO AMEND BOARD RULE 6.06 - FAILURE TO BRING APPLICATION TO HEARING:

   ACTION:

6. RESOLUTION COMMENDING JACK STOUFER ON THE OCCASION OF HIS RESIGNATION AS CHIEF INVESTMENT OFFICER:

   ACTION:

GENERAL MANAGER'S REPORT

ITEM

1. ACTIVITY REPORT
2. REQUEST FOR STAFF MEMBER TO ATTEND MFOA MONEY MARKET MANAGEMENT SEMINAR

BOARD MEMBERS

1. 1984 INTERNATIONAL FOUNDATION MEETINGS AND CONFERENCES.

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#3
2/14/84

MINUTES OF THE RETIREMENT BOARD

City and County of San Francisco
770 Golden Gate Avenue
San Francisco, CA 94102

February 14, 1984 9:00 AM

PRESENT	Paul F. Denning	President
	Leon Bruschera	Vice-President
	Peter D. Ashe	Commissioner
	Warren DeMerritt	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner
ABSENT	Wendy Nelder, President, Board of Supervisors	
	Meta K. Stanley	Commissioner

MINUTES Minutes of Regular Meeting - January 31, 1984

ACTION: Approve as Submitted

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REGULAR MEETING

INVESTMENTS CALENDAR

ITEM

1. PERFORMANCE MEASUREMENT REPORT - CALLAN ASSOCIATES
Quarter Ending December 31, 1983

A representative of Callan Associates, Mr. Ron Peyton, presented a written and oral report to the Board on the measurement of the Retirement System's investment portfolio for the quarter ending December 31, 1983. Following completion of the written and oral report, Board Members, Staff and Callan Associates exchanged views and comments on the contents of the reports. No action was taken by the Board on the reports.

2. PRIVATE PLACEMENT: LESSEE (ADOLPHUS ASSOCIATES)

Diane Gale, Assistant Chief of Investments, presented a written and oral report to the Board recommending that the Board approve purchase of a private placement, Adolphus Associates, in the amount of $8,018,870.00.

ACTION: It was moved by Ashe, seconded by Bruschera, to approve purchase of the private placement; motion passed, 5-0.

3. PROGRESS REPORT: BOND MANAGER SELECTION PROCESS

Granville DeMerritt, Acting General Manager, and Diane Gale, Assistant Chief of Investments, rendered an oral report to the Board on the current status of the bond manager selection process.

ACTION: No action; information item only.

4. REPORT RE DISTRIBUTION OF FUNDS TO EQUITY MANAGERS

ACTION: Referred to meeting of February 28, 1984.

CONSENT CALENDAR

The following items were presented under the Consent Calendar.

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST, NUMBER 17-83

b) W.C.A.B. - COMPROMISE AND RELEASE:
Minnie Posey - $6,800.00

c) REQUEST TO WITHDRAW APPLICATION FOR ORDINARY DISABILITY:
Pyron Stewart

d) REQUEST TO WITHDRAW APPLICATION FOR ORDINARY DISABILITY:
Edward J. Fine

ACTION: It was moved by Bruschera, seconded by Ashe, to approve the Consent Calendar; motion passed, 5-0.

REGULAR CALENDAR

ITEM

1) RETIREMENT SYSTEM ADMINISTRATIVE BUDGET - FY 1984-85

Rudy Hernandez, Manager, Retirement Services, presented to the Board the proposed Retirement System Administrative Budget for Fiscal Year 1984-85. The Board and staff engaged in a series of questions and answers relative to the proposed budget. Mr. Hernandez requested that the Board authorize an additional expenditure of $20,000.00 for costs related to the rental of additional space at the Franciscan Treatment Room.

ACTION: It was moved by Bruschera, seconded by Ashe, to approve the Retirement System Administrative Budget for FY 1984-85, including an additional $20,000.00 for increased rental space at the Franciscan Treatment Room; motion passed, 5-0.

2) ADJUSTMENT OF RETIREMENT ALLOWANCE

Glenn Hoover

ACTION: By a ballot vote of 5-0, the Board approved the adjustment of Hoover's retirement allowance from 50% to 65%, effective December 18, 1982.

3) ADJUSTMENT OF RETIREMENT ALLOWANCE

Robert Spencer

ACTION: By a ballot vote of 5-0, the Board approved the adjustment of Spencer's retirement allowance from 50% to 62%, effective July 16, 1981.

NOTE: President Denning left meeting at this point.

4) HEARING OFFICER DECISIONS

a) APOSTOLI, Ben
FIRE - H20 Lieutenant
INDUSTRIAL DISABILITY RETIREMENT
EFFECTIVE DATE: JULY 20, 1983 — GRANTED

b) FITZPATRICK, Joseph
POLICE - Q2 Police Officer
INDUSTRIAL DISABILITY RETIREMENT — DENIED

c) GRAYSON, Alfred R.
MUNI RR - 9150 Central Control Dispatcher
ORDINARY DISABILITY RETIREMENT — DENIED

d) JAMES, Ruth
PUBLIC HEALTH - S.F.G.H. - 2320 R.N.
ORDINARY DISABILITY RETIREMENT
EFFECTIVE DATE: MAY 1, 1981 — GRANTED

e) VAN TRICHT, Donald J.
POLICE - Q2 Police Officer
INDUSTRIAL DISABILITY RETIREMENT — DENIED

f) WAIGHT, Albert W.
FIRE - H40 Battalion Chief
INDUSTRIAL DISABILITY RETIREMENT — DENIED

ACTION: It was moved by Ashe, seconded by Weisberg, to accept the Hearing Officer decisions, motion passed, 4-0.

5) REPORT RE STATUS OF CHARTER AMENDMENTS

Clare Murphy, Staff Actuary, presented a written and oral report to the Board on the current status of proposed charter amendments affecting the Retirement System for the June 1984 ballot. The Board and Ms.Murphy exchanged viewpoints regarding the proposed charter amendments.

ACTION: No action taken pending further information on action taken by Rules and Legislation Committee of the Board of Supervisors.

GENERAL MANAGER'S REPORT

Granville DeMerritt, Acting General Manager, reported the following to the Board:

1) A request that a staff employee be authorized to attend the 54th Annual Conference of the California Self-Insurers Association in Palm Springs, California March 6-9, 1984.

   ACTION: It was moved by Ashe, seconded by DeMerritt, to authorize one staff employee to attend the conference; motion passed, 4-0.

2) Clare Murphy, Staff Actuary, informed the Board that the Consulting Actuary, Mr. William Smith, will present the Valuation Study report to the Board at the Board's meeting of February 28, 1984. Ms. Murphy briefly covered some of the highlights of the Study.

3) That the Acting General Manager and President Paul F. Denning attended a retirement seminar in Monterey, CA. recently, sponsored by the Municipal Finance Officers Association; information regarding the seminar will be furnished the Board under separate cover.

CLOSED SESSION

The Board and staff went into Closed Session at this point to review and discuss litigation affecting the Retirement System.

OPEN SESSION

The Board reconvened in Open Session and announced the following:

That, by a vote of 3-1 (Ashe), Legal Counsel was instructed to request a rehearing to seek clarification of the Hearing Officer's decision granting payment of retroactive survivor benefits to Virginia C. Wolden, widow of Russel Wolden.

BOARD MEMBERS

The Board requested that staff report back to the Board at its next meeting on the provisions of the Age Discrimination Act as it applies to safety members of the Retirement System.

There being no further business, the Board adjourned its meeting at 2:15 P.M.

Respectfully submitted,

Granville DeMerritt
Acting General Manager

NOTE: Transcript of meeting contains reference to meeting items.

Court Reporter: Rebecca Luce, CSR.

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2/28/84

MINUTES OF THE RETIREMENT BOARD

City and County of San Francisco
770 Golden Gate Avenue
San Francisco, CA 94102

February 28, 1984 10:00 AM

PRESENT	Paul F. Denning	President
	Leon Bruschera	Vice-President
	Peter D. Ashe	Commissioner
	Warren DeMerritt	Commissioner
	Meta K. Stanley	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner

ABSENT Wendy Nelder, President, Board of Supervisors

MINUTES Minutes of Regular Meeting - February 14, 1984

ACTION: Approve as Submitted

CONSENT CALENDAR

The following items were presented under the Consent Calendar.

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST, NUMBER 18-83.

b) W.C.A.B. - COMPROMISE AND RELEASE
Tina Wong $ 1,850.00

c) W.C.A.B. - COMPROMISE AND RELEASE
Robert M. Dutton $ 5,000.00

d) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION
Henry Marshall $ 514.10

e) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION
Gene Slominski $ 1,750.00

f) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION
Arthur Quint $ 4,482.64

g) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION
Irvin Walker $14,500.00

h) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION
George Turner $ 3,200.00

i) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION
Joyce Szudlow $12,500.00

j) REQUEST TO DISMISS APPLICATION FOR INDUSTRIAL DISABILITY RETIREMENT:
Thomas McCarthy

k) REQUEST TO DISMISS APPLICATION FOR INDUSTRIAL DISABILITY RETIREMENT:
John J. Murphy

l) REQUEST TO WITHDRAW APPLICATION FOR ORDINARY DISABILITY RETIREMENT:
Luree Baker

m) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION:
Martha Shiroma

At the request of William F. Murphy, Attorney-At-Law, Items k) and l), above, were withdrawn.

ACTION: It was moved by Ashe, seconded by Stanley, to approve the Consent Calendar except Items k) and l); motion passed, 6-0.

ITEM

1) REPORT RE ACTUARIAL VALUATION STUDY OF RETIREMENT SYSTEM AS OF JUNE 30, 1983:

Mr. William Smith of Milliman & Robertson, Consulting Actuaries, and Ms. Clare Murphy, Staff Actuary, presented a written and oral report to the Board on the actuarial valuation study of the Retirement System as of June 30, 1983. Board Members, Mr. Smith and Ms. Murphy exchanged comments and viewpoints relative to the actuarial valuation study, and engaged in a lengthy question and answer period.

ACTION: No action taken on this item (see succeeding item.)

NOTE: Commissioner Bruschera left the meeting at this point.

2) CITY AND COUNTY RATES OF CONTRIBUTION FOR FISCAL 1984-85:

Mr. Smith and Ms. Murphy (see preceding item) presented to the Board recommended City and County rates of contribution to the Retirement System for the fiscal year beginning July 1, 1984, per the findings set forth in the Actuarial Valuation Study presented under Item Number 1), above.

ACTION: It was moved by Weisberg, seconded by Stanley, to adopt the Actuarial Valuation Study, including the economic and non-economic actuarial assumptions set forth therein, and to approve the recommended City and County rates of contribution for Fiscal Year 1984-85 as follows:

Uniformed Police	91%
Uniformed Fire	104%
Miscellaneous Employees	18%

The motion passed, 5-0.

At this point in the meeting, Dr. Frank Sortino, San Francisco State University, gave a slide presentation to the Board on the subject of investment goals and objectives. Dr. Sortino's presentation was made in conjunction with Item Number 2 of the Investments Calendar, to be heard at a later time in this meeting.

3) REPORT RE AGE DISCRIMINATION IN EMPLOYMENT ACT (ADEA):

Clare Murphy, Staff Actuary, presented a written and oral report to the Board on the contents of a pending Congressional Bill relative to the Age Discrimination In Employment Act (ADEA), with particular reference to age limitations of Police Officers and Firefighters.

ACTION: It was moved by Weisberg, seconded by Ashe, that the Retirement Board favors retaining age 65 as the mandatory retirement age of Police Officers and Firefighters, and that the appropriate Congressional Committee be so advised; motion passed, 5-0.

4) ADJUSTMENT OF RETIREMENT ALLOWANCE:

William Douglas

ACTION: By a ballot vote of 3-2 (Denning and Weisberg), the Board approved the adjustment of William Douglas' industrial disability retirement from 50% to 63%, effective for the period August 15, 1979 to May 1, 1982.

INVESTMENTS CALENDAR

ITEM

1. PROGRESS REPORT RE BOND MANAGER SELECTION PROJECT:

Granville DeMerritt, Acting General Manager, and Diane Gale, Assistant Chief of Investments, rendered a progress report to the Board on the bond manager selection project.

ACTION: No action taken; information item only.

2. PRELIMINARY REVIEW OF STATEMENT OF FUND GOALS AND OBJECTIVES:

The Acting General Manager and the Assistant Chief of Investments presented to the Board a list of proposed Investment Fund goals and objectives. Board Members and staff exchanged comments and viewpoints relative to the proposed goals and objectives, together with recommended changes thereto.

ACTION: It was moved by Weisberg, seconded by Stanley, that the Board accepts in principle the purpose, goals and investment objectives as set forth in staff's proposed Strategic Plan; motion passed, 5-0.

SUPPLEMENTAL CALENDAR

ITEM

1. REQUEST FROM HARTFORD VARIABLE ANNUITY LIFE INSURANCE COMPANY TO PRESENT 401K PLAN (DEFERRED COMPENSATION):

   ACTION: Over to next meeting.

NOTE: President Denning left the meeting at this point.

2. REPORT RE ALTERNATIVE SPACE FOR LEASE IN CIVIC CENTER AREA:

   Rudy Hernandez, Manager, Retirement Services, and Gerald Romani of the Real Estate Department of the City and County of San Francisco addressed the Board regarding alternative office space for lease in the Civic Center area. The Board was advised of costs associated with obtaining new office space for relocation of the Retirement System beginning July 1, 1984.

   ACTION: It was moved by Weisberg, seconded by DeMerritt, to authorize an increase in the 1984-85 budget request in the amount of $28,000 for costs associated with moving to new office space in the Civic Center area; motion passed, 4-0.

3. SETTLEMENT OF DISPUTED CLAIM - SUBROGATION

   Julius Cooksey $ 700.00

   ACTION: It was moved by Stanley, seconded by Weisberg, to approve the settlement, motion passed, 4-0.

4. SETTLEMENT OF DISPUTED CLAIM - SUBROGATION

   Concha Castro $1,80 0.00

   ACTION: It was moved by Stanley, seconded by Weisberg, to approve the settlement, motion passed, 4-0.

5. W.C.A.B. - COMPROMISE AND RELEASE

   Robert J. Keith $4,000.00

   ACTION: It was moved by Weisberg, seconded by DeMerritt, to approve the compromise and release; motion passed, 4-0.

GENERAL MANAGER'S REPORT

The Acting General Manager reported on the following matters:

1. The status of proposed charter amendments affecting the Retirement System. Clare Murphy, Staff Actuary, rendered a written and oral report on this subject.
2. That he and staff had met and conferred with representatives of the Police Officers' Association regarding timely calendaring of disability retirement cases and associated matters.
3. That approval to employ a Staff Assistant XI (Chief of Investments) is pending before the Civil Service Commission and will be acted on by the Commission on March 12, 1984.

BOARD MEMBERS

Commissioner Ashe, on behalf of the Retirement Board, expressed appreciation for Mayor Feinstein's action in reappointing Paul F. Denning and Meta K. Stanley to the Retirement Board for new five-year terms of office. The Acting General Manager was instructed to convey the Board's appreciation to Mayor Feinstein.

There being no further business, the Board adjourned its meeting at 4:30 PM.

Respectfully submitted,

Granville DeMerritt
Acting General Manager

NOTE: Transcript of meeting contains reference to meeting items.

Court Reporter: Olga Hayes Schmitt, CSR.

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3/13/84

MINUTES OF THE RETIREMENT BOARD

City and County of San Francisco

770 Golden Gate Avenue

San Francisco, CA 94102

March 13, 1984 10:00 AM

PRESENT	Paul F. Denning	President
	Leon Bruschera	Vice-President
	Peter D. Ashe	Commissioner
	Warren DeMerritt	Commissioner
	Meta K. Stanley	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner

ABSENT Wendy Nelder, President, Board of Supervisors

MINUTES Minutes of Regular Meeting - February 28, 1984

ACTION: Approve as Submitted

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CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST, NUMBER 19-83.

b) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN: Thomas R. Daniels

c) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN: Sam Gray, Jr.

d) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN: Judith Williams

ACTION: It was moved by Ashe, seconded by DeMerritt, to approve the Consent Calendar; motion passed, 5-0 (Commissioner Bruschera not present).

REGULAR CALENDAR

ITEM

1) REPORT RE COST OF LIVING BENEFIT PER PROVISIONS OF CHARTER SECTION 8.526, EFFECTIVE JULY 1, 1984:

Clare Murphy, Staff Actuary, presented a written and oral report to the Board on the cost of living benefit provision for retired employees as set forth in Charter Section 8.526. The Board and Ms. Murphy exchanged comments and viewpoints on the report.

ACTION: It was moved by Weisberg, seconded by DeMerritt, to approve cost of living increases, effective July 1, 1984, as follows:

a) A 2% adjustment of initial monthly allowance for members retired on or before July 1, 1983;

b) A 1% adjustment of initial monthly allowance for members retired July 2, 1983 through July 1, 1984. Motion passed, 5-0 (Commissioner Bruschera not present.)

2) REPORT RE STATUS OF CHARTER AMENDMENTS FOR JUNE 1984 ELECTION:

Granville DeMerritt, Acting General Manager, and Clare Murphy, rendered a written and oral report to the Board on the status of charter amendments for the June 1984 election.

NOTE: Commissioner Bruschera arrived at this time.

The Board, staff and Mr. Maguire, Legal Counsel, reviewed and discussed the status of the charter amendments. The Board deliberated at length on the charter amendment relating to the negotiation of employer-employee relations (new section 8.407.1.); additional information on this item was obtained from the Clerk of the Board of Supervisors during the course of the meeting.

ACTION: It was moved by Weisberg, seconded by Stanley, that staff write the Mayor, the Board of Supervisors, the author of the charter amendment, and all interested employee groups that the language of the charter amendment is vague with respect to exclusion of retirement benefit provisions from negotiations, and that said language be modified to clearly provide for exclusion of all retirement benefit provisions from the charter amendment, and that, failing this, the Board requests that the charter amendment be withdrawn and subsequently re-written and resubmitted for future ballot consideration; motion failed by a tie vote, 3-3 (Ashe, Bruschera and DeMerritt.)

ACTION: It was moved by Weisberg, seconded by Stanley, that staff write the Mayor, the Board of Supervisors, the author of the charter amendment, and all interested employee groups that the language of the charter amendment is vague with respect to exclusion of retirement benefit provisions from negotiations, and that said language be modified to clearly provide for exclusion of all retirement benefit provisions from the charter amendment; motion passed, 6-0.

The Board was furnished a copy of a proposed ballot argument on behalf of the charter amendment exempting the Secretary-General Manager and the Chief of Investments from the Civil Service provisions of the charter. The Board reviewed the proposed ballot argument and offered suggested changes.

ACTION: It was moved by Weisberg, seconded by Stanley, to approve the proposed ballot argument; motion passed, 6-0.

SPECIAL ORDER

Election of Officers: President and Vice-President:

In accordance with Board Rule One, Section 1.03, the Board conducted the following election of officers for the ensuing term of office:

For President: It was moved by DeMerritt, seconded by Ashe, that Leon Bruschera be nominated for President; there were no further nominations; Commissioner Bruschera, by a vote of 6-0, was elected President for the ensuing term of office.

For Vice-President: It was moved by Ashe, seconded by Weisberg, that Meta K. Stanley be nominated for Vice-President; there were no further nominations; Commissioner Stanley, by a vote of 6-0, was elected Vice-President for the ensuing term of office.

REGULAR CALENDAR (Continued)

3) RESOLUTION COMMENDING JOSE DOMINGUEZ ON HIS RETIREMENT FROM CITY SERVICE:

The Board was presented a resolution commending Mr. Jose Dominguez on the occasion of his retirement from City Service as Head Accountant of the Retirement System.

ACTION: It was moved by Wesiberg, seconded by DeMerritt, to adopt the resolution; motion passed, 6-0.

4) HEARING OFFICER DECISIONS:

a) CORDOBA, Maria
PUBLIC HEALTH - LHH - 2320 RN
ORDINARY DISABILITY RETIREMENT
EFFECTIVE DATE: JANUARY 1, 1984 GRANTED

b) HAYES, Tobious L.
MUNI RR - 9163 Transit Operator
ORDINARY DISABILITY RETIREMENT
EFFECTIVE DATE: AUGUST 1, 1983 GRANTED

c) KAZARIAN, Richard
POLICE - Q60 Lieutenant
INDUSTRIAL DISABILITY RETIREMENT DENIED

d) LANE, Thomas J.
RECREATION AND PARKS - 3422 Supervisor
ORDINARY DISABILITY RETIREMENT
EFFECTIVE: NOVEMBER 16, 1983 GRANTED

e) MONTOYA, Stan V.
MUNI RR - 9163 Transit Operator
ORDINARY DISABILITY RETIREMENT
EFFECTIVE: AUGUST 24, 1983 GRANTED

f) MURPHY, James G.
FIRE DEPT.
INDUSTRIAL DISABILITY RETIREMENT DENIED

g) PARTOYAN, George L.
REC-PARK - 3416 Gardener
ORDINARY DISABILITY RETIREMENT
EFFECTIVE: DECEMBER 10, 1983 GRANTED

h) PRATER, Pearl V.
PUBLIC HEALTH - CMHS
ORDINARY DISABILITY RETIREMENT
EFFECTIVE DATE: AUGUST 12, 1983 GRANTED

i) WASHINGTON, Ersic B.
REC-PARK - 3284 Recreation Director
ORDINARY DISABILITY RETIREMENT
EFFECTIVE DATE: MARCH 26, 1983 GRANTED

ACTION: It was moved by Stanley, seconded by Denning, to accept the Hearing Officer decisions; motion passed, 6-0.

INVESTMENTS CALENDAR

ITEM

1. PROGRESS REPORT RE BOND MANAGER SELECTION PROJECT:

Granville DeMerritt, Diane Gale, Assistant Chief of Investments, and Dr. Frank Sortino, Director of the Pension Research Institute, rendered an oral report to the Board on the status of the bond manager selection project. The Board was informed that preliminary results of the ranking process will be presented at the Board's March 27, 1984 meeting, as well as a tentative schedule of interviews of bond manager applicants during the month of May 1984.

ACTION: No action taken; information item only.

2. PRELIMINARY PROPOSAL RE RETIREMENT BOARD INVESTMENT POLICY:

Granville DeMerritt, Diane Gale and Dr. Frank Sortino, presented to the Board a preliminary draft of a Strategic Plan embodying investment goals and objectives and an investment policy. The Board, staff and Dr. Sortino reviewed the major components of the Strategic Plan and commented on the various provisions set forth therein.

ACTION: No action taken at this time; item put over to Board meeting of March 27, 1984 to further review the Strategic Plan and to adopt the proposed Investment Policy.

At this point in the meeting, Ms. Maura Kealey, a representative of SEIU Local 390/400, appeared before the Board to further discuss Item No.2) of the Board's Regular Calendar (Charter Amendment - Section 8.407-1.) The Board and Ms. Kealey reviewed the action taken by the Board on the item. No action was taken by the Board; however, staff was instructed to meet with Local 390/400 and other interested parties in an effort to resolve differences on the interpretation of the language of the charter amendment concerning "retirement allowances."

March 13, 1984

SUPPLEMENTAL CALENDAR

ITEM

1) W.C.A.B. - COMPROMISE AND RELEASE:

Victor Bertuccelli $5,000.00

ACTION: It was moaved by Weisberg, seconded by Denning, to approve the compromise and release; motion passed, 6-0.

2) REQUEST TO DISMISS APPLICATION FOR DETERMINATION:

Wilbert J. Weston

ACTION: It was moved by Weisberg, seconded by Denning, to dismiss the application; motion passed, 6-0.

3) HEARING OFFICER DECISIONS:

ADAMS, Willie
AIRPORT COMMISSION - 2708 Custodian
ORDINARY DISABILITY RETIREMENT
EFFECTIVE DATE: JANUARY 15, 1984 GRANTED

ARMSTRONG, George
MUNI RR - 9163 Transit Operator
ORDINARY DISABILITY RETIREMENT
EFFECTIVE DATE: OCTOBER 17, 1983 GRANTED

ACTION: It was moved by Weisberg, seconded by Stanley, to accept the Hearing Officer decisions, motion passed, 6-0.

GENERAL MANAGER'S REPORT

A. ACTIVITY REPORT

1) Clare Murphy was called upon to inform the Board of the implementation of Proposition E, the charter amendment approved in November 1983 authorizing the Board of Supervisors to contract with PERS to provide State PERS coverage for Probation Officer and other "safety" classes. Ms. Murphy rendered a progress report on the subject, including consultation with PERS offficials in Sacramento.

2) The Board was informed that additional staff time was necessary to analyze and review the 401K tax shelter plan presented to the Board at a previous meeting by representatives of the Hartford Variable Annuity Life Insurance Company. The Board, Mr. DeMerritt and Ms. Mruphy exchanged comments and viewpoints relative to the plan and the need for additional review time.

3) At the request of Commissioner Ashe, staff and Mr. Maguire are investigating bonding coverage for Board Members and will report back at a subsequent meeting.

4) That the Civil Service Commission, on March 12, 1984, had approved our request to employ a Chief Investment Officer at the Staff XI level. The General Manager indicated to the Board that a candidate for the position will be selected shortly.

B. REQUEST TO AUTHORIZE STAFF ATTENDANCE AT THE MFOA CONFERENCE IN SAN ANTONIO, TEXAS, APRIL 15-18, 1984.

ACTION: It was moved by Stanley, seconded by DeMerritt, to authorize Rudy Hernandez, Manager, Retirement Services, to attend the MFOA Conference.

BOARD MEMBERS

At this time, Commissioner Denning thanked his fellow Commissioners for the opportunity to serve as President of the Board during the past year. Mr. Denning expressed appreciation to the Board and staff for their cooperation and support during his term of office. Board Members complimented Mr. Denning for his dedicated and superb service as Board President.

There being no further business, the Board adjourned its meeting at 3:25 P.M.

Respectfully submitted,

Granville DeMerritt

Granville DeMerritt
Acting General Manager

NOTE: Transcript of meeting contains reference to meeting items.

Court Reporter: Carolyn Wilson, CSR.

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3/27/84

MINUTES OF THE RETIREMENT BOARD

City and County of San Francisco

770 Golden Gate Avenue

San Francisco, CA 94102

March 27, 1984 10:00 AM

PRESENT	Leon Bruschera	President
	Meta K. Stanley	Vice-President
	Peter D. Ashe	Commissioner
	Warren DeMerritt	Commissioner
	Paul F. Denning	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner
ABSENT	Wendy Nelder, President, Board of Supervisors	
MINUTES	Minutes of Regular Meeting - March 13, 1984	
	ACTION: Approve As Submitted	

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CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST, NUMBER 20-83.

b) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
James Allen

c) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Rudolph Hernandez, Jr.

d) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION AND COMPROMISE AND RELEASE:
Lola Collins $1,000.00

e) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:
Peter Gala $1,900.00

f) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:
Rickey Ivy $1,200.00

g) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Steve Godfrey $1,000.00

h) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:
Carl Brown $2,400.00

ACTION: It was moved by Stanley, seconded by Ashe, to approve the Consent Calendar; motion passed, 6-0.

REGULAR CALENDAR

ITEM

1) STAFF REQUEST TO CONTRACT FOR MANAGEMENT AUDIT OF WORKERS" COMPENSATION:

Rudy Hernandez, Manager, Retirement Services, presented a written and oral report to the Board requesting, at the suggestion of Mayor Dianne Feinstein, that funds in the amount of $10,000 be appropriated to conduct a management audit of the Worker Compensation Division in order that the Mayor may properly evaluate the Retirement System budget request for five additional positions in Workers' Compensation.

ACTION: It was moved by Denning, seconded by Ashe, that funds in the amount of $10,000 be authorized to contract for the services of Warren, McVeigh, Griffin and Savage to conduct a management audit of the Workers' Compensation Division; motion passed, 6-0.

2) STAFF REQUEST TO TRANSFER FUNDS FOR OVERTIME WORK:

Rudy Hernandez presented a written and oral report to the Board requesting that the Retirement Board approve the transfer of unencumbered funds from Data Processing to Overtime in preparation for the conversion to the new City-wide payroll system.

ACTION: It was moved by Ashe, seconded by Stanley to approve the transfer of funds; motion passed, 6-0.

3) HEARING OFFICER DECISIONS:

a) BOLDEN, Edna
PUBLIC HEALTH - SFGH - 2302 Orderly
ORDINARY DISABILITY RETIREMENT
EFFECTIVE DATE: MAY 1, 1983 — GRANTED

b) CALAMONERI, Eugene
FIRE - H40 Battalion Chief
INDUSTRIAL DISABILITY RETIREMENT — DENIED

c) CASTANEDA, Salvador R.
MUNI RR - 9163 Transit Operator
ORDINARY DISABILITY RETIREMENT
EFFECTIVE DATE: JULY 1, 1983 — GRANTED

d) CHAN, Paul K.
PUBLIC HEALTH - SFGH - Cook
ORDINARY DISABILITY RETIREMENT
EFFECTIVE DATE: FEBRUARY 9, 1984 — GRANTED

e) HERNDON, Virginia M.
PUBLIC HEALTH - LHH - 2302 Orderly
ORDINARY DISABILITY RETIREMENT
EFFECTIVE DATE: JUNE 1, 1983 — GRANTED

f) O'CONNELL, William J.
SFUSD - 2708 Custodian
ORDINARY DISABILITY RETIREMENT
EFFECTIVE DATE: AUGUST 25, 1983 — GRANTED

g) VERA, Pauline M.
PUBLIC HEALTH - SFGH - 2303 Orderly
ORDINARY DISABILITY RETIREMENT
EFFECTIVE DATE: JUNE 16, 1983 — GRANTED

h) WILLIAMS, Fred J.
PORT COMMISSION - 9334 Deckhand
ORDINARY DISABILITY RETIREMENT
EFFECTIVE DATE: OCTOBER 4, 1983 — GRANTED

ACTION: It was moved by Denning, seconded by Weisberg, to accept the Hearing Officer decisions; motion passed, 6-0.

INVESTMENTS CALENDAR

ITEM

1) REPORT RE BOND MANAGER SELECTION PROJECT:

Granville DeMerritt, Acting General Manager, Diane Gale, Assistant Chief of Investments, and Dr. Frank Sortino of the Pension Research Institute, rendered written and oral reports to the Board on the progress of the bond manager selection project, including the initial ranking of investment firms by quartile ranges and by first, second and third tiers for further evaluation. The Board and staff exchanged comments and viewpoints with respect to the reports and the rankings of the bond managers. The Board was also furnished a proposed bond manager interview schedule, to be approved at a future Board meeting.

ACTION: No action taken, information item only.

2) PROPOSED RETIREMENT BOARD INVESTMENT POLICY:

The Board was furnished a revised copy of a proposed Retirement Board Investment Policy. Granville DeMerritt, Diane Gale and Dr. Frank Sortino explained the basic provisions of the policy and, based on Board Member suggestions, revised the Policy accordingly.

ACTION: It was moved by Ashe, seconded by Denning, to adopt the Investment Policy, as amended; motion passed, 6-0.

GENERAL MANAGER'S REPORT

1. REPORT RE CHARTER AMENDMENT ON EMPLOYER-EMPLOYEE NEGOTIATIONS (SECTION 8.407-1).

Clare Murphy, Staff Actuary, and Granville DeMerritt, rendered a written and oral report to the Board on Proposition "A", a charter amendment on the June 1984 ballot regarding employer-employee negotiations and its affect, if any, on the Retirement System. Ms. Murphy and Mr. DeMerritt advised the Board of a meeting held with proponents of the proposition, SEIU Local 390/400. Maura Kealey, a representative of Local 390/400 also addressed the Board on the item. The Board, staff and Ms. Kealey exchanged comments and viewpoints concerning the charter amendment and a proposed letter to be submitted to certain city officials and organizations regarding Retirement System concerns.

ACTION: It was moved by Stanley, seconded by Weisberg, to authorize release of the staff's proposed letter indicating specific retirement provisions that may be considered subject to negotiations as per the provisions of the charter amendment (Proposition A); motion passed, 5-1 (Ashe).

2. REPORT RE 401K PLAN:

The Board was furnished a copy of a letter from Mr. Patrick J. Kalasardo, Regional Vice-President of Hartford Variable Annuity Life Insurance Company regarding inauguration of a 401K deferred compensation plan. Clare Murphy updated the Board on a meeting held with Mr. Kalasardo and indicated to the Board that additional time was necessary to further evaluate the plan and its impact on the Retirement System. Further information to be provided the Board at a future Board meeting.

3. The Acting General Manager requested Board approval for a staff employee to attend the Pension Commission Clearinghouse Conference in Washington, D.C., May 10-12, 1984.

ACTION: It was moved by Ashe, seconded by Stanley, to approve the request; motion passed, 6-0.

4. The Acting General Manager furnished Board Members a copy of the final ballot argument in favor of Proposition "G" on the June 1984 ballot. Proposition "G" will exempt the General Manager and the Chief Investment Officer from the civil service provisions of the charter.

SUPPLEMENTAL CALENDAR

ITEM

1. SETTLEMENT OF DISPUTED CLAIM - SUBROGATION - COMPROMISE AND RELEASE:

Juan Aguilera $6,000.00

ACTION: It was moved by DeMerritt, seconded by Ashe, to approve the settlement; motion passed, 6-0.

2. SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:

Donald Johnson $5,753.84

ACTION: Over to next meeting.

3. SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:

Callie Majors $4,000.00

ACTION: It was moved by Ashe, seconded by Stanley, to approve the settlement; motion passed, 6-0.

4. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

James C. Johnson

ACTION: It was moved by Weisberg, seconded by Denning, to approve the request; motion passed, 6-0.

BOARD MEMBERS

REQUEST FOR BOARD MEMBER TO ATTEND WHARTON SCHOOL OF FINANCE (INTERNATIONAL FOUNDATION), SEPTEMBER 10-14, 1984.

ACTION: It was moved by Ashe, seconded by Stanley, to authorize Commissioner Dr. Weisberg to attend the Wharton School of Finance, September 10-14, 1984; motion passed,6-0.

Commissioner Ashe requested information on the State Proposition on the June 1984 Primary Ballot concerning Constitutional provisions governing public pension fund investment conditions and practices and related matters.

There being no further business, the Board adjourned its meeting at 3:35 P.M.

Respectfully submitted,

Granville DeMerritt
Acting General Manager

NOTE: Transcript of meeting contains reference to meeting items.

Court Reporter: Richard Walker, CSR.

March 27, 1984

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MINUTES OF THE RETIREMENT BOARD

City and County of San Francisco

770 Golden Gate Avenue

San Francisco, CA 94102

April 17, 1984 10:00 AM

PRESENT	Leon Bruschera	President
	Peter D. Ashe	Commissioner
	Paul F. Denning	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner
ABSENT	Meta K. Stanley	Vice-President
	Warren DeMerritt	Commissioner
	Wendy Nelder, President, Board of Supervisors	
MINUTES	Minutes of Regular Meeting - March 27, 1984	
	ACTION: Approve As Submitted	

RETIREMENT BOARD

REGULAR MEETING

SPECIAL ORDER

Seating of Commissioner Paul F. Denning, Vice Himself.

Seating of Commissioner Meta K. Stanley, Vice Herself.

Commissioner Paul F. Denning and Commissioner Meta K. Stanley were officially seated as members of the Retirement Board, each having been administered the Oath of Office by Mayor Dianne Feinstein on March 29, 1984. A copy of the Certificate of Appointment for Commissioners Denning and Stanley are officially on file in the Office of the General Manager of the Retirement System.

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST, NUMBER 21-83.

b) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Willie Campers, Jr.

c) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION AND COMPROMISE AND RELEASE:
Donald Johnson $5,753.84
(Held over from meeting of March 27, 1984)

d) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION AND COMPROMISE AND RELEASE:
Santiago Fernandez, Jr. $583.33

e) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Sherman Ford $1,000.00

f) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Charles Bates $6,594.00

g) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Carolyn Tune $6,500.00

h) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION AND COMPROMISE AND RELEASE:
David Mills $1,397.41

i) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION AND COMPROMISE AND RELEASE:

Quin J. Jones	$3,158.00
Warren Omholt	$5,307.86

j) REQUEST TO WITHDRAW APPLICATION FOR INDUSTRIAL DISABILITY RETIREMENT:

William C. O'BRien

k) REQUEST TO WITHDRAW APPLICATION FOR INDUSTRIAL DISABILITY RETIREMENT:

William R. White

l) REQUEST TO CORRECT DATE OF BIRTH:

Hernan MacDula

ACTION: Item b), above was taken off calendar for further staff review. It was moved by Weisberg, seconded by Denning, to approve the remainder of the Consent Calendar; motion passed, 4-0.

REGULAR CALENDAR

ITEM

1) HEARING OFFICER DECISIONS:

a) CORRELL, William
FIRE -H40 Battalion Chief
INDUSTRIAL DISABILITY RETIREMENT
EFFECTIVE DATE: September 9, 1983 — GRANTED

b) FIUMARA, Alice C.
PUBLIC HEALTH - SFGH - 2320 RN
ORDINARY DISABILITY RETIREMENT
EFFECTIVE DATE: October 4, 1981 — GRANTED

c) GRIMESEY, George W.
FIRE - H2 Firefighter
INDUSTRIAL DISABILITY RETIREMENT
EFFECTIVE DATE: July 5, 1981 — GRANTED

d) GRUMET, Alice
SOCIAL SERVICES - 1426 Senior Clerk Typist
ORDINARY DISABILITY RETIREMENT
EFFECTIVE DATE: September 13, 1983 — GRANTED

e) HALL, William R., Jr.
FIRE - H30 Captain
INDUSTRIAL DISABILITY RETIREMENT — DENIED

f) LACUES, Jean F.
FIRE - H20 Lieutenant
INDUSTRIAL DISABILITY RETIREMENT
EFFECTIVE DATE: October 31, 1983 GRANTED

g) McDONOUGH, Edward M.
POLICE - Q60 Inspector
INDUSTRIAL DISABILITY RETIREMENT DENIED

h) MEYSKENS, Frank L.
FIRE - H20 Lieutenant
INDUSTRIAL DISABILITY RETIREMENT
EFFECTIVE DATE: November 22, 1981 GRANTED

ACTION: It was moved by Ahse, seconded by Denning, to accept the Hearing Officer decisions; motion passed, 4-0.

2) INTERIM REPORT RE HEARING OFFICER DECISIONS:

Staff presented to the Board an interim written report on the number of disability retirement cases and related cases heard by Hearing Officers for the period July 1, 1983 through March 31, 1984. Following a review and discussion of the report, staff was instructed to amend the report to reflect additional data on the type of cases heard by the American Arbitration Association and the Office of Administrative Hearings and to report back to the Board.

INVESTMENTS DIVISION

ITEM

1. STAFF RECOMMENDATION RE AMOUNT OF BOND FUNDS TO BE MANAGED EXTERNALLY:

Staff presented to the Board a written report recommending an initial amount of funds to be allocated to prospective external bond managers. The Board and staff reviewed and discussed the recommendation in detail, supplemented by remarks from Clare Murphy, Staff Actuary, relative to the actuarial implications involved in the allocation of the funds.

ACTION: It was moved by Weisberg, seconded by Denning, to approve staff's recommendation that the initial distribution of bond funds to prospective bond managers be limited to $300 million, and that the amounts to be distributed permanager and the style of managing said amounts shall be determined at a later date; motion passed, 4-0.

2. STAFF RECOMMENDATION RE FIRMS TO BE INTERVIEWED FOR MANAGEMENT OF BOND PORTFOLIO:

Staff, including Dr. Frank Sortino of the Pension Research Institute, presented to the Board a written report recommending the firms to be interviewed by the Retirement Board for management of a portion of the bond portfolio. The Board and staff and Dr. Sortino reviewed and discussed the report and recommendation in detail. Commissioner Denning requested that the firm of Scudder Stevens & Clark be added to the list of firms to be interviewed.

ACTION: It was moved by Denning, seconded by Weisberg, to approve the following firms for interview for management of a portion of the bond portfolio, except that prior to the actual date of interview the Board reserves the right to add any additional firm or firms to the list for interview; motion passed, 4-0.

FIRMS SELECTED FOR INTERVIEW

ANHALT/O'CONNELL
BANKERS TRUST
DISCOUNT CORP. OF NEW YORK
ROBERT C. BROWN
LEHMAN MANAGEMENT
MACKAY-SHIELDS
MORGAN STANLEY
PACIFIC INVESTMENT MANAGEMENT CO.
SCUDDER, STEVENS & CLARK
SHIELDS ASSET MANAGEMENT
STW FIXED INCOME MANAGEMENT
WESTERN ASSET MANAGEMENT

3. BOND MANAGER INTERVIEW SCHEDULE:

The Board was presented a schedule for interview of prospective bond managers. The Board approved the following dates: May 1 and May 8, 1984.

GENERAL MANAGER'S REPORT

1. MEETING WITH MAYOR FEINSTEIN RE RETIREMENT SYSTEM BUDGET FOR FY 1984-85.

Granville DeMerritt and Clare Murphy informed the Board of staff's meeting with Mayor Feinstein and the Mayors's budget staff to consider the Retirement System's budget for 1984-85. Commissioner Denning, who also attended the budget meeting, provided the Board his observations of the meeting and the items at issue. The Mayor indicated that she will withhold temporarily the proposed Worker Compensation budget request pending completion of the Ken Savage management audit of Workers Compensation. Staff will keep the Board apprised of the budget process, particularly in reference to the Mayor's determination regarding Worker Compensation funds.

2. REQUEST TO ATTEND INSTITUTIONAL INVESTOR PUBLIC FUNDS SEMINAR:

ACTION: It was moved by Weisberg, seconded by Denning, that theActing General Manager be authorized to attend the Institutional Investor Public Funds Seminar in Colorado Springs, Colorado, July 26-28, 1984; motion passed, 4-0.

There being no further business, the Board adjourned it meeting at 1:45 P.M.

Respectfully submitted,

Granville DeMerritt

Granville DeMerritt
Acting General Manager

NOTE: Transcript of meeting contains reference to meeting items.

Court Reporter, Olga Hayes Schmitt, CSR.

April 17, 1984

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MINUTES OF THE RETIREMENT BOARD

City and County of San Francisco

770 Golden Gate Avenue

San Francisco, CA 94102

April 24, 1984 9:00 AM

PRESENT	Leon Bruschera	President
	Meta K. Stanley	Vice-President
	Peter D. Ashe	Commissioner
	Warren DeMerritt	Commissioner
	Paul F. Denning	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner
ABSENT	Wendy Nelder, President, Board of Supervisors	

QUARTERLY INVESTMENTS MEETING

Prior to the start of the Investments Calendar, the Acting General Manager introduced to the Board Pamela Levesque, newly-appointed Executive Assistant to the General Manager.

INVESTMENTS CALENDAR

ITEM

I. PRESENTATION BY EQUITY INVESTMENT MANAGERS RE EQUITY INVESTMENTS FOR QUARTER ENDING MARCH 31, 1984:

Representatives of the following firms, Investment Managers of the equity portion of the Retirement System's portfolio, rendered written and oral reports to the Board on the status of equity investments for the quarter ending March 31, 1984:

a) Crocker Investment Management Corporation

b) Eaton & Howard, Vance Sanders, Inc.

c) Loomis, Sayles & Company

Board Members and representatives of the firms exchanged viewpoints and comments on portfolio performance and on matters concerning current and projected economic conditions.

II. REVIEW AND DISCUSSION OF BOND PORTFOLIO AND TRANSACTIONS FOR THE QUARTER ENDING MARCH 31, 1984:

DeWitt Bowman, Chief Investment Officer, and Diane Gale, Assistant Chief of Investments, rendered a written and oral report to the Board on the status of the bond portfolio and bond transactions for the quarter ending March 31, 1984. The Board engaged in a question and answer period with Mr. Bowman and Ms. Gale regarding transactions for the quarter.

III. REVIEW AND DISCUSSION OF INTERNALLY MANAGED COMMON STOCK AND CONVERTIBLE BOND PORTFOLIO FOR THE QUARTER ENDING MARCH 31, 1984:

Diane Gale presented a written and oral report to the Board on internally managed common stock and convertible bond portfolio for the quarter ending March 31, 1984. The Board reviewed and discussed the report with staff.

IV. REVIEW AND DISCUSSION OF CALIFORNIA RESIDENTIAL MORTGAGE PORTFOLIO AND FORWARD COMMITMENTS:

Diane Gale rendered an oral and written report to the Board on the current status of investments in residential mortgages in California per the provisions of the Bosco Bill. Granville DeMerritt informed the Board that we are being required by the State Office of Auditor General to submit an accounting of compliance with the Bosco Bill provisions through December 31, 1983.

V. RECOMMENDED INVESTMENT POLICY AND ALLOCATION OF FUNDS FOR THE PERIOD ENDING JULY 31, 1984:

DeWitt Bowman presented to the Board a recommended policy for the investment and allocation of funds for the period ending July 31, 1984 (see attached).

ACTION: It was moved by Weisberg, seconded by Denning, to approve staff's recommendation that $18 million in new funds for the period ending July 31, 1984, be allocated to in-house management for investment in short-term money market instruments pending future determination of final allocation of funds; motion passed, 6-0.

VI. PROGRESS REPORT RE BOND MANAGER SELECTION PROJECT:

Granville DeMerritt, Acting General Manager, requested that the Board hold a special meeting on May 15, 1984 to select the bond managers and to determine the amount of funds to be managed by each manager.

ACTION: No action taken until Mr. DeMerritt surveys the Board for a mutually convenient meeting date.

VII. STAFF REPORT RE INVESTMENT CUSTODIAL SERVICES:

Granville DeMerritt, DeWitt Bowman and Diane Gale presented a written and oral report to the Board on staff findings concerning services rendered by the Retirement System's Custodian of Funds. The Board and staff, including Clare Murphy, Staff Actuary, exchanged viewpoints and comments on custodial services currently being rendered. Staff recommended that the Board authorize staff to solicit proposals from firms that furnish such services.

ACTION: It was moved by Weisberg, seconded by Ashe, to authorize staff to obtain proposals from firms to provide custodial services and to report back to the Board; motion passed, 6-0.

APRIL 20, 1984

SAN FRANCISCO CITY AND COUNTY EMPLOYEES' RETIREMENT SYSTEM
RECOMMENDED INVESTMENT POLICY FOR THE THREE MONTH PERIOD
ENDING JULY 31, 1984

FUNDS ANALYSIS

*Cash available for investment as of April 17, 1984		$140,372,147
Projected net cash additions to the portfolio for the ensuing three months		18,000.000
Total funds available		158,372,147
Less:		
Funds previously allocated for bond purchases	$ 39,561,219	
Funds previously allocated for California Residential Mortgages	7,072,878	
Funds previously allocated for stock purchases	93,738,050	
Funds previously allocated for equity real estate	-0-	140,372,147
		$ 18,000,000

RECOMMENDED INVESTMENT POLICY FOR THE THREE MONTH PERIOD ENDING JULY 31, 1984

Funds invested in bonds:		
Funds invested in equity real estate mortgages:		
Funds invested in real estate equity:		
Funds invested in common stock:		
Crocker investment Management Corporation		
Eaton and Howard, Vance Sanders Incorporated		
Loomis-Sayles-and-Company Incorporated		
Total new funds available for investments	100%	$ 18,000,000

* Temporarily invested in money market instruments

Prepared by the Retirement Investment Staff

PROXY VOTE:

The Board was furnished a proxy ballot to vote on the following Shareholder Proposals:

SHAREHOLDER PROPOSALS	BOARD VOTE FOR	AGAINST
EATON CORPORATION		
1. Not expand operations in South Africa	6	0
INTERNATIONAL BUSINESS MACHINES		
1. Limit Directors terms to 6 years	1	5
2. Limits on corporate contributions	0	6
3. Report on repressive product uses	2	4
4. Detailed report on taxes	0	6
AMERICAN EXPRESS CO.		
1. Cumulative Director voting	6	0
2. Limit Directors terms to 6 years	1	5
BRISTOL-MYERS CO.		
1. Limit Directors terms to 6 years	1	5

CONSENT CALENDAR

The following items were presented under the Consent Calendar.

ITEM

a) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION AND COMPROMISE AND RELEASE:
Mary Lindsay $30,000.00

b) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION AND COMPROMISE AND RELEASE:
Michael Maxwell $ 2,152.31

c) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION AND COMPROMISE AND RELEASE:
Eugene Yoshii $ 2,142.40

d) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Emile Urbiztondo $31,500.00

ACTION: It was moved by Bruschera, seconded by DeMerritt, to approve the Consent Calendar; motion passed, 6-0.

REGULAR CALENDAR

ITEM

1. INTERNATIONAL FOUNDATION OF EMPLOYEE BENEFIT PLANS: CONFERENCES, INSTITUTES AND WORKSHOPS:

   Granville DeMerritt presented to the Board the following list of conferences and institutes sponsored by the International Foundation of Employee Benefit Plans:

1.	Investments Institute:	June 20-23,1984, Lake Tahoe, Nevada: Leon Bruschera, Board President; DeWitt Bowman, Chief Investment Officer.
2.	Public Employees Conf:	August 26-29,1984, San Francisco: All Board Members, selected Staff members.
3.	30th Annual Educational Conference:	November 9-14,1984,Orlando, Florida: Board Members as determined; Staff members as determined.

   ACTION: It was moved by Weisberg, seconded by Denning, to approve Number 1, above; to approve all Board Members for Number2, above, but staff only as approved by Board action at a later Board meeting; and to withhold action on Number 3, above, pending future Board determination on attendance at the conference; motion passed, 6-0.

SUPPLEMENTAL CALENDAR

ITEM

1. ADJUSTMENT OF RETIREMENT ALLOWANCE:

   Terrance Ryan from 90% to 50% (Requires Ballot Vote)

   ACTION: The Board by ballot vote, voted 6-0 to adjust the retirement allowance from 90% to 50%, effective April 17, 1984.

2. SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:

   Stanley Fullalove $10,500.

   ACTION: It was moved by Stanley, seconded by Ahse, to approve the settlement; motion passed, 6-0.

3. COMMUNICATION FROM NATIONAL CONFERENCE ON PUBLIC EMPLOYEE RETIREMENT SYSTEMS RE HR4170 (TEFRA):

   Clare Murphy addressed the Board regarding the provisions of HR4170, and HR2163, a U.S. Senate version to amend Section 242 of TEFRA. The Board and Ms. Murphy discussed the implications of the Senate version and took the following action:

ACTION: It was moved by Weisberg, seconded by Ashe, to transmit a letter to members of the House Ways and Means Committee and the Senate Finance Committee that they support the retention of the language in the Senate version re distribution rules for qualified pension plans, and that staff review remaining issues with staff of Joint Committee; motion passed, 6-0.

GENERAL MANAGER'S REPORT

The Acting General Manager reported to the Board:

1. That he had made a presentation to the Finance Committee of the Board of Supervisors in support of a Real Estate Department resolution authorizing the Retirement System to move to 1155 Market Street on July 1, 1984. The Finance Committee took no action on the resolution; the resolution was put over to the call of the Chair. Staff will attempt to have the resolution recalendared by the Finance Committee as soon as possible.

2. That he had met with the Civil Grand Jury regarding operations of the Retirement System and that his comments and answers to questions were well received.

3. That he and Dan Maguire, Legal Counsel, had met with the American Arbitration Association regarding the inadequacies of a particular Hearing Officer's written decisions. The Association responded that the Hearing Officer will no longer be assigned to Retirement System cases.

There being no further business, the Board adjourned its meeting at 12:50 PM in memory of Mrs. Jeannette Gaggero, mother of Health Service Board Member Joseph Gaggero, Jr.

Respectfully submitted,

Granville DeMerritt
Acting General Manager

NOTE: Transcript of meeting contains reference to meeting items.
Court Reporter: Carolyn Wilson, CSR.

April 24, 1984

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MINUTES OF THE RETIREMENT BOARD

City and County of San Francisco

770 Golden Gate Avenue

San Francisco, CA 94102

May 1, 1984 9:00 AM

PRESENT	Leon Bruschera	President
	Meta K. Stanley	Vice-President
	Peter D. Ashe	Commissioner
	Warren DeMerritt	Commissioner
	Paul F. Denning	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner

ABSENT Wendy Nelder, President, Board of Supervisors.

RETIREMENT BOARD

REGULAR MEETING

9:00 AM

INVESTMENTS CALENDAR

ITEM

1. BOND MANAGER INTERVIEWS:

   The following named firms were interviewed by the Retirement Board as candidates to manage a portion of the Bond Fund.

   1. MacKay Shields Financial Corp.
   2. Discount Corp. of New York Advisors
   3. Lehman Management Company
   4. Pacific Investment Management Company
   5. Morgan Stanley Asset Management
   6. Robert C. Brown and Company
   7. Starbuck, Taylor, Tisdale and Williams
   8. Scudder, Stevens and Clark

   ACTION: No action taken at this time.

May 1, 1984

SUPPLEMENTAL CALENDAR

ITEM

1. REQUEST TO CORRECT DATE OF BIRTH:

Ambrose Canlas: From December 7, 1920 to December 7, 1922

ACTION: It was moved by Weisberg, seconded by DeMerritt, to approve the request; motion passed, 5-0 (Ashe not present.)

There being no further business, the Board adjourned its meeting at 5:00 P.M.

Respectfully submitted,

Granville DeMerritt
Acting General Manager

NOTE: Transcript of meeting contains reference to meeting items.

Court Reporter: Richard Walker, CSR.

May 1, 1984

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MINUTES OF THE RETIREMENT BOARD

City and County of San Francisco

770 Golden Gate Avenue

San Francisco, CA 94102

May 8, 1984 10:00 AM

PRESENT	Leon Bruschera	President
	Meta K. Stanley	Vice-President
	Peter D. Ashe	Commissioner
	Warren DeMerritt	Commissioner
	Paul F. Denning	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner

ABSENT Wendy Nelder, President, Board of Supervisors

MINUTES Minutes of Regular Meeting - April 17, 1984

Minutes of Regular Meeting - April 24, 1984

Minutes of Regular Meeting - May 1, 1984

ACTION: Approve As Submitted

RETIREMENT BOARD

REGULAR MEETING

CLOSED SESSION

The Retirement Board went into closed session to review with Legal Counsel the legal aspects of Item No. 3 of the Regular Calendar (see below).

REGULAR CALENDAR

The Board reconvened in open session and took up Item No. 3 of the Regular Calendar:

3. Disability Determination re PERS Safety Member: Diana Huff.

   Mr. John Bloom, Attorney for Diana Huff, requested that the Retirement Board defer action on this item to a future meeting to allow Mr. Bloom opportunity to submit written material in support of Ms. Huff's case.

   ACTION: It was moved by Weisberg, seconded by DeMerritt, to defer action on this item pending Ms. Huff's attorney submitting additional information and arguments in support of the attorney's opinion that the Retirement Board should hear Ms. Huff's case de novo; motion passed, 5-0 (Denning not present).

CONSENT CALENDAR

Dr. Weisberg requested that he be excused from voting on the Consent Calendar inasmuch as he did not receive the Consent Calendar items in his Board packet.

ACTION: It was moved by Stanley, seconded by Ashe, that Dr. Weisberg be excused from voting on the Consent Calendar; motion passed, 5-0 (Denning not present).

The following items were presented under the Consent Calendar:

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST, NUMBER 22-83.

b) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
   Melvin Blair

c) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
   Federico Cadampog

d) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Willie Campers, Jr.

e) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Judi Soto

f) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:
Robert Cutone $8,505.75

g) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:
Lorin Dubour $2,438.10

h) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
John Garcia $35,000.00

i) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:
Simon F. Hebeler $2,500.00

j) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION AND COMPROMISE AND RELEASE:
Beverly Williams $5,500.00

k) REQUEST TO WITHDRAW APPLICATION FOR INDUSTRIAL DISABILITY RETIREMENT:
Anthony Pulvirenti

l) REQUEST TO DISMISS APPLICATION FOR INDUSTRIAL DISABILITY RETIREMENT:
Leilo L. Calcagno

ACTION: It was moved by Stanley, seconded by DeMerritt, to adopt the Consent Calendar with the exception of Item b), off calendar at the request of the General Manager; motion passed, 4-0 (Denning not present, Weisberg excused from voting).

REGULAR CALENDAR

(continued)

ITEM

1. DISCUSSION AND ADOPTION OF ACTUARIAL OPERATING FACTORS:

William Smith of Milliman and Robertson, Consulting Actuaries, and Clare Murphy, Staff Actuary, presented a written and oral report to the Board on proposed actuarial operating tables of factors utilized in computing monthly allowances payable to retiring members who select available "options"; whose allowances are reduced on account of shortages due to reduced contributions for Social Security coverage; and annuity values for Miscellaneous Members retiring under vesting provisions.

NOTE: Commissioner Denning arrived during discussion of this item.

ACTION: It was moved by Ashe, seconded by DeMerritt, to adopt the recommended actuarial operating tables of factors based on 8½ % interest earning assumption and mortality assumptions as stated in the most recent valuation report, to be applied to retirements first effective on or after July 1, 1984; motion passed, 6-0.

2. HEARING OFFICER DECISIONS:

a) CARLSON, Calvin C.
MUNI RR - 9126 Transit Traffic Checker
ORDINARY DISABILITY RETIREMENT
EFFECTIVE DATE: March 1, 1984 GRANTED

b) EASTER, Ronald V.
MUNI RR - 9163 Transit Operator
ORDINARY DISABILITY RETIREMENT
EFFECTIVE DATE: June 8, 1982 GRANTED

c) GOYTON, Joseph I.
POLICE - 0380 Inspector
INDUSTRIAL DISABILITY RETIREMENT
EFFECTIVE DATE: July 5, 1983 GRANTED

d) GREENLEAF, Harold B.
PURCHASING - 1934 Storekeeper
ORDINARY DISABILITY RETIREMENT
EFFECTIVE DATE: August 1, 1983 GRANTED

e) LOCY, Clint
POLICE - Q2 Police Officer
INDUSTRIAL DISABILITY AND
ORDINARY DISABILITY RETIREMENT DENIED

f) MARTIN, Ralph E.
MUNI RR - 9139 Transit Supervisor
ORDINARY DISABILITY RETIREMENT
EFFECTIVE DATE: March 30, 1984 GRANTED

g) PIERCE, Richard J.
SFUSD - Teacher
ORDINARY DISABILITY RETIREMENT
EFFECTIVE DATE: March 1, 1982 GRANTED

h) WALKER, Irvin
PUBLIC WORKS - 7215 General Laborer
ORDINARY DISABILITY RETIREMENT
EFFECTIVE DATE: January 1, 1984 GRANTED

ACTION: It was moved by Stanley, seconded by Denning, to accept the Hearing Officer's decisions; motion passed, 6-0.

3. DISABILITY DETERMINATION re PERS SAFETY MEMBER: Diana Huff

ACTION: (See Page 1 of Regular Calendar)

4. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN: Melvin Blair

This motion was taken off the Consent Calendar at the request of the General Manager. Mr. Blair arrived at this point in the meeting and requested that the item be heard. Mr. Blair explained to the Board the reason for his request to withdraw funds from the Deferred Compensation Plan, based on financial hardship.

ACTION: It was moved by Weisberg, seconded by Ashe, to approve the request; motion passed, 6-0.

GENERAL MANAGER'S REPORT

The Acting General Manager reported to the Board:

1. That he, Rudy Hernandez and Ken Savage had made a presentation to representatives of the Mayors's office regarding the Ken Savage Worker's Compensation Audit Report which recommended that five additional positions be authorized for the 1984-85 Worker's Compensation budget; it appears that the Mayor will accept the recommendation, although only on a one-year basis and pending approval from Civil Service to fill the positions as specified in the budget.

2. That the proposed move to 1155 Market Street by the Retirement System was re-calendared for Wednesday, May 9, 1984, before the Finance Committee; approval of the move is expected.

SUPPLEMENTAL CALENDAR

ITEM

1. PROXY VOTE:

The Board was furnished a proxy ballot to vote on the following Shareholder Proposals:

SHAREHOLDER PROPOSALS	Board Vote	
American Broadcasting Company	FOR	AGAINST
1. Restriction of Corporation Contributions	0	6
2. Investigation of Dissemination of Soviet Propaganda	0	6

2. Staff requested that the Retirement Board consider the introduction of three Charter Amendments for the November 1984 election at the Board of Supervisors' meeting May 21, 1984:

a) Section 3.671 - Functions, Powers and Duties

ACTION: It was moved by Weisberg, seconded by DeMerritt to introduce the proposed amendment; motion passed, 6-0.

b) Section 8.515 - Compensation Insurance Payments

ACTION: It was moved by Denning, seconded by Stanley to introduce the proposed amendment; motion passed, 5-1 (Bruschera).

c) Sections 8.509 and 8.584-5 - Death Benefits

ACTION: It was moved by DeMerritt, seconded by Ashe to introduce the proposed amendment; motion passed, 6-0.

INVESTMENTS CALENDAR

ITEM

1. BOND MANAGER INTERVIEWS:

The following named firms were interviewed by the Retirement Board as candidates to manage a portion of the Bond Fund:

1. WESTERN ASSET MANAGEMENT COMPANY
2. ANHALT/O'CONNELL, INC.
3. BANKERS TRUST COMPANY
4. SHIELDS ASSET MANAGEMENT

ACTION: No action taken at this time.

There being no further business, the Board adjourned its meeting at 4:45 PM.

Respectfully submitted:

Granville DeMerritt
Acting General Manager

NOTE: Transcript of meeting contains references to meeting items.

Court Reporter: Olga Hayes Schmitt, CSR.

SF
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#3
5/29/84

MINUTES OF THE RETIREMENT BOARD

City and County of San Francisco

770 Golden Gate Avenue

San Francisco, CA 94102

May 29, 1984 10:00 AM

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PRESENT	Leon Bruschera	President
	Meta K. Stanley	Vice-President
	Peter D. Ashe	Commissioner
	Warren DeMerritt	Commissioner
	Paul F. Denning	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner

ABSENT Wendy Nelder, President, Board of Supervisors

MINUTES Minutes of Regular Meeting - May 8, 1984

ACTION: Approve As Submitted

RETIREMENT BOARD

REGULAR MEETING

CONSENT CALENDAR

The following items were presented uner the Consent Calendar:

ITEM

a) VOLUNTARY SERVICE RETIREMENT LISTS, NUMBERS 23-83 and 24-83.

b) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Laura L. Craig $5,236.00

c) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:
Jaylene Harris $ 434.75

d) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:
Mary Pat Downing $1,807.00

e) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:
Billy Williams $ 527.00

f) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:
John Bisordi $4,993.75

g) REQUEST TO WITHDRAW APPLICATION FOR INDUSTRIAL DISABILITY RETIREMENT:
Mervin L. Clayton

h) REQUEST TO WITHDRAW APPLICATION FOR INDUSTRIAL DISABILITY RETIREMENT:
Dale N. Scott

i) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Kathleen Umrein-Johnson

ACTION: It was moved by Denning, seconded by DeMerritt, to approve the Consent Calendar; motion passed, 4-0 (Ashe and Weisberg not present.)

INVESTMENTS CALENDAR

ITEM

1. PERFORMANCE MEASUREMENT REPORT - CALLAN ASSOCIATES FOR QUARTER ENDING MARCH 31, 1984.

Mr. Ron Peyton of Callan Associates rendered a written and oral report to the Board on the measurement of the performance of the investment portfolio for the quarter ending March 31, 1984. Mr. Peyton and Board Members exchanged views and comments on the contents of the report.

NOTE: Commissioners Ashe and Weisberg arrived during discussion of this item.
ACTION: No action taken; information item only.

REGULAR CALENDAR

ITEM

1. REQUEST TO REHEAR DISABILITY DETERMINATION RE PERS SAFETY MEMBER:
   Diana Huff (Over from meeting of May 8, 1984)

   The Board had for determination a written request from Mr. John Bloom, Attorney for Diana Huff, for further hearing regarding Ms. Huff's application for Industrial Disability Retirement as a result of her injuries in the Sheriff's Department. Dan Maguire, Legal Counsel, informed the Board of the issues involved in the case and the options available to the Board in determining Mr. Bloom's request to rehear the case.

   ACTION: It was moved by Denning, seconded by Stanley, to adopt the Hearing Officer's recommended decision as set forth in the attached "Determination of Disability" and to deny Mr. Bloom's request for a further hearing; motion passed, 6-0.

2. HEARING OFFICER DECISIONS:

   a) MITROFF, George B.
   POLICE - Q2 Police Officer
   INDUSTRIAL DISABILITY RETIREMENT
   EFFECTIVE DATE: JULY 12, 1983 GRANTED

   ACTION: It was moved by Stanley, seconded by Denning, to approve the Hearing Officer Decision; motion passed, 4-0 (Ashe and Weisberg not present.)

3. INTERIM REPORT RE HEARING OFFICER DECISIONS:

   ACTION: Over to next regular Board meeting.

4. REQUEST TO APPROVE TRANSFER OF FUNDS:

   ACTION: It was moved by Ashe, seconded by Stanley, to approve the transfer of $90,000 from permanent salaries to mandatory fringe benefits to cover increased costs therein; motion passed, 6-0.

GENERAL MANAGER'S REPORT

The Acting General Manager, Granville DeMerritt, reported to the Board:

1. That the Mayor's Budget authorized the five new positions in the Workers' Compensation Division. The Finance Committee of the Board of Supervisors will hold budget hearings in mid-June on our request for the positions.

2. That the move to 1155 Market Street is progressing with the architects plans nearly completed and that we are scheduled to move in mid-to late-July.

3. That next Tuesday, June 5, 1984 is Election Day and Proposition "G" has been endorsed by the San Francisco Examiner and by other organizations.

BOARD MEMBERS

Dr. Weisberg reported that while on a recent trip to Boston, Massachussetts, he visited the offices of Loomis, Sayles and Company and Eaton & Howard, Vance Sanders, Inc., Retirement System equity managers.

Commissioner Ashe inquired about State constitutional provisions limiting investments in common stocks. Mr. Maguire informed the Board that he is currently researching the question.

INVESTMENTS CALENDAR (Continued)

ITEM

2. PORTFOLIO ALLOCATION:

DeWitt Bowman, Chief Investment Officer, Diane Gale, Assistant Chief of Investments, and Dr. Frank Sortino of the Pension Research Institute, rendered a written and oral report to the Board on the following subjects:

a) An overview of the bond portfolio and its relationship to the Strategic Plan;

b) A proposed plan and recommendations to allocate a portion of the bond fund to external fixed income managers (see attached.)

The Board and staff exchanged comments and viewpoints with respect to the proposed plan and recommendations. The following actions were then taken by the Board:

1) Selection of External Fixed Income Managers:

ACTION: It was moved by Weisberg, seconded by Denning, to employ the following named firms: MacKay-Shields Financial Corporation; Lehman Management Company, Inc.; Pacific Investment Management Company; and Scudder, Stevens and Clark.

ACTION: It was moved by Ashe, seconded by DeMerritt, to amend the motion to include Bankers Trust Company in the list of firms selected as external fixed income managers; motion passed, 4-2 (Stanley and Weisberg.)

ACTION: The main motion, above, was thereupon passed, 5-1 (Stanley.)

2) Allocation of Funds to Fixed Income Managers:

ACTION: It was moved by DeMerritt, seconded by Stanley, to adopt staff's recommendation for the allocation of funds as follows:

MacKay-Shields Financial Corp.,	$125 Million
Lehman Management Company	$ 75 Million
Pacific Investment Mgt. Co.,	$ 40 Million
Bankers Trust Company	$ 30 Million
Scudder, Stevens & Clark	$ 30 Million

motion passed, 4-2 (Ashe and Denning.)

3) Plan Implementation:

ACTION: It was moved by Denning, seconded by Weisberg, that the selected external fixed income managers begin management of the allocated funds on July 1, 1984; motion passed, 6-0.

The Acting General Manager thanked the Board and staff for the successful completion of this phase of the restructuring of the investment portfolio. Board members thanked the staff for their work and diligence in achieving this end.

There being no further business, the Board adjourned its meeting at 1:40 P.M.

Respectfully submitted:

Granville DeMerritt
Acting General Manager

NOTE: Transcript of meeting contains references to meeting items.
Court Reporter: Olga Hayes Schmitt, CSR.

May 29, 1984

DETERMINATION OF DISABILITY

Pursuant to authority delegated by the Board of Supervisors of the City and County of San Francisco, dated June 27, 1974, under Government Code Section 21023.6, and after review of medical and other evidence relevant thereto, the Retirement Board hereby finds and determines that Dianna Huff, a local safety member of the Public Employees' Retirement System, employed by the San Francisco Sheriff's Department is psychiatrically incapaciated from performing her duties as a Deputy Sheriff within the meaning of the Public Employees Retirement Law. It is further found and determined that Dianna Huff is not incapaciated from performing her duties a a Deputy Sheriff within the meaning of the Public Employees Retirement Law for any other reason.

The Retirement Board also finds and determines that such psychiatric incapacity is not the result of injury or illness arising out of and in the course of her employment with the San Francisco Sheriff's Department within the meaning of the Public Employees Retirement Law.

Diana Huff has filed an application with the Workers' Compensation Appeals Board regarding this psychiatric injury. The Workers Compensation Appeals Board has determined that there is no permanent psychiatric disability arising out of and in the course of her employment with the San Francisco Sheriff's Department.

City and County of San Francisco

San Francisco City and County
Employees' Retirement System
Office of The General Manager

May 24, 1983

TO: Members of the Retirement Board

FROM: DeWitt Bowman
Chief Investment Officer

SUBJECT: External Fixed Income Managers Selection

The following summary and recommendations have been prepared by Staff in response to requests from Board Members following the presentations by the twelve candidates for positions as external fixed income managers for a portion of the Retirement System funds.

In our effort to relate the selection process in amount and management style to the recently adopted Strategic Plan, a visualization of the portfolios as developed under the plan was sent to Board Members last week. The following observations concerning the interviewed managers and the recommendation concerning the allocation of funds have been developed in relation to the visualization to integrate the current process to the Strategic Plan and to set the stage for further additional management considerations.

In viewing the current fixed income portion of the portfolio in the approximate total par value of $978 million, we note that $330 million or 34% is invested in the B-5 or special situation management style, primarily sinking fund issues, $105 million is invested in private placements and $43 million in Bosco Bill investments for another 15%, leaving $500 million or 51% in internally managed fixed income issues with a long average maturity and duration. Previous Board action directed the placement of no more than $300 million of this amount to external management at this time considering the potential capital loss consequences and the wish to not invalidate some current investment strategies. In recommending the placement of this $300 million, the Staff feels that consideration should be given to working toward two primary goals of the Strategic Plan:

1. Shorten the maturity and duration of the portfolio and increase the percentage in U.S. Treasury issues.

2. Initiate one or more aggressive fixed income management styles to provide additional return potential.

The Staff feels that the process of working toward these objectives can be initiated by hiring the following two firms to manage the amounts noted:

1. MacKay-Shields Financial Corporation $100-200 million
2. Lehman Management Company, Inc. $100-150 million.

In addition, if the Board feels that it would be appropriate to add additional external fixed income managers at this time, that consideration could be given to Pacific Investment Management Company for $ 0- 50 million for a contrasting investment style and/or to Bankers Trust Company for $ 0- 50 million as an addition to the conservatively managed core. These recommendations are made for the following reasons:

MacKay-Shields is predominantly in the short term market utilizing floating rate notes and Treasuries to achieve the best performance record at the least risk of the managers interviewed as measured by PRI data. Some concern has been expressed over the comparability of the 3 year data received for MacKay-Shields to the 5-10 year data for other firms but an analysis of the enclosed 3 year performance charts sustains the favorable comparison. The Staff was impressed by the well developed and logically consistent methodology and the well disciplined strategy and approach to portfolio management. The firm was also rated first on total score in the PRI study.

Lehman Management Company ranked second on total score in the PRI study but uses a more diverse portfolio in classes and maturities than MacKay and achieves performance through more shifting between security sectors.

Average maturities and duration would still be substantially shorter than the current system portfolio and would meet our objectives of shortening both figures. The Staff was impressed with Lehman's sophisticated computer model used to structure portfolios which would be made available to Staff at no extra charge.

Since the above two managers can be accurately described as aggressive and use significant variations of a B-1 or interest rate anticipation style, the Staff feels that additional managers for consideration should embrace a different aggressive style or one more oriented to the portfolio core. The differences between presentations in these areas were not as pronounced as among the more aggressive managers and related services and subjective factors may assume more importance.

In this context the Staff felt that Pacific Investment Management Company provides useful diversification in terms of sector swapping and styles not directly oriented to interest anticipation. Although maturity orientations are longer than MacKay or Lehman, the use of futures to offset risk would provide an additional element of performance.

Bankers Trust Company appeared to provide excellent performance while following more traditional portfolio compositions and techniques, a style which would place their management within the portfolio core. The size of the firm and experience in managing other public funds are also important factors which indicate a capacity to work more comfortably with larger amounts than some of the smaller management firms. A wide variety of peripheral services would also be made available to the System which would facilitate the management of other segments of the portfolio. The Staff has a minor reservation concerning the quarterly volatility of Bankers investment performance.

Since the twelve firms interviewed were subjected to rigorous screens and came highly recommended, the Staff would not summarily reject any single firm and noted attractive qualities in each. The eight firms not listed above, however, were not recommended for the following reasons:

1. Morgan Stanley - Although ranking 12th in risk adjusted performance, the other ranked factors lowered the total score to 45th. Staff felt that the methodology as explained was not clear and was heavily dependent upon one person.

2. Western Asset Management - The record was not as good as PIMCO which utilizes a similar management style. Their average portfolio security maturities, moreover, exceeded 8 years and were not in conformance with our goal of restructuring portfolio maturities.

3. Discount Corporation - Although their management objectives appeared to be similar to MacKay-Shields, their free style approach was much less structured and more difficult to analyze.

4. Anhalt/O'Connell - Maturity structure and style was consistent with our portfolio needs and risk adjusted performance was good. Staff was concerned that the decision making model as described was not clear and like Morgan Stanley appeared to be excessively dependent upon one person.

5. Starbuck, Tisdale and Williams - Staff had reservations concerning the consistent ability to apply their investment strategy as described, while the size of their preferred managed portfolio was smaller than planned for allocation.

6. Shields Asset Management - The Staff felt that the methodology as described was more appropriate to core management and would not be in conformance with our goal of re-structuring the portfolio. Risk adjusted performance was in the second quartile and experience with other public funds appeared to be limited.

7. Scudder, Stevens and Clark - The Staff was impressed with the presentation which was an excellent summary of current shortcomings in the total portfolio and the logical steps that should be taken to implement a Strategic Plan. This coincides with Staff's analysis and current strategy which is being implemented but does not address the management of more specialized segments as contemplated for external management.

8. Robert C. Brown - Performance, while good, was not as good as the recommended firms while the risk potential seemed too high for a public fund.

Three year performance charts are attached to supplement the PRI performance figures, analysis of bond manager rankings, and evaluation of asset management firms. While we feel they do not contradict the other performance data they do provide some comparability for those firms where less than 5 year figures were the only ones available.

The Staff was pleased with the high quality observed in the presentations and looks forward to working with the firms selected.

DFB/dl

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6/5/84

MINUTES OF THE RETIREMENT BOARD

City and County of San Francisco

770 Golden Gate Avenue

San Francisco, CA 94102

June 5, 1984 2:00 p.m.

PRESENT	Leon Bruschera	President
	Meta K. Stanley	Vice-President
	Peter K. Ashe	Commissioner
	Warren DeMerritt	Commissioner
	Paul F. Denning	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner

ABSENT Wendy Nelder, President, Board of Supervisors

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RETIREMENT BOARD

REGULAR MEETING

INVESTMENTS CALENDAR

ITEM

1. EQUITY PORTFOLIO:

   a) Proposed Plan to Further Implement the Strategic Plan:

   DeWitt Bowman, Chief Investment Officer, presented to the Board an oral and written report on the further implementation of the Board's Strategic Plan on investments. Board Members, Mr. Bowman, Granville DeMerritt, Acting General Manager, and Diane Gale, Assistant Chief of Investments, exchanged comments, questions and answers on the contents and recommendations of the report and the various memoranda submitted in conjunction therewith.

   In addition, staff submitted to the Board a recommended allocation and reallocation of funds among the various investment accounts and among the external fixed income and equity managers.

   ACTION: It was moved by Denning, seconded by Stanley, that the Board adopt the allocated and reallocated funds as set forth in the recommendation (see attached), except that the amount of equity funds to be managed internally shall be determined by Board action at a later date; motion passed, 6-0.

   b) Recommendation to Allocate Funds to an Additional Equity Manager:

   In conjunction with the proposed plan to further implement the Strategic Plan, staff recommended to the Board that the firm of George B. Springman, Inc. be selected as an additional external equity manager. The Board and staff reviewed and discussed the recommendation, including amounts to be managed and the fee for said management.

   Mr. Springman of George B. Springman, Inc. appeared before the Board and reviewed with the Board his firm's style of equity fund management. Questions and answers ensued.

   ACTION: It was moved by Weisberg, seconded by DeMerritt, to select the firm of George B. Springman, Inc. to manage approximately $85 million in equity funds at an annual fee of $200,000, effective July 1, 1984; motion passed, 6-0.

2. STAFF REQUEST TO RESCIND BOARD ACTION OF MAY 29, 1984 RE PACIFIC INVESTMENT MANAGEMENT COMPANY (PIMCO):

The Board was informed that Staff was unable to reach agreement with PIMCO on the fees required for management of a portion of the fixed income portfolio and, therefore, recommended that the Board rescind its action of May 29, 1984.

ACTION: It was moved by Ashe, seconded by Weisberg, that the Board rescind its action of May 29, 1984, appointing PIMCO as a fixed income manager and that funds allocated to PIMCO ($40 million) be reallocated to Bankers Trust Company and to Scudder, Stevens and Clark in equal amounts ($20 million); motion passed, 6-0.

There being no further business, the Board adjourned its meeting at 5:10 P.M.

Respectfully submitted:

Granville DeMerritt
Acting General Manager

NOTE: Transcript of meeting contains references to meeting items.

Court Reporter: Rebecca Luce, CSR.

RETIREMENT SYSTEM PORTFOLIO
CURRENT and PROPOSED ASSET STYLE CATEGORIES
APPROXIMATE AMOUNTS IN MILLIONS

	Core	Strategic	Total	
Fixed Income - subsequent to external manager selection				
B-1 Interest Anticipation*		200	200	
B-2 Swap Strategies*		40	40	
B-3 Diversified*	60		60	
B-4 Credit Orientation		0	0	
B-5 Special Situations	330		330	
B-6 Immunization	0		0	
B-7 Dedicated	0		0	
B-8 Index	0		0	
Private Placements	113		113	
Bosco Bill	83		83	
Internal Bonds	—	152	152	
TOTAL	586	392	978	61%
Variable Income - as recommended by Staff				
E-1 Agressive Growth*		80	80	
E-2 Quality Growth*		100	100	
E-3 Diversified				
E-4 Rotational*		100	100	
E-5 Defensive	85		85	
E-6 Index	80	0	80	
Real Estate	90		90	
Options & Futures	0		0	
Internal Stocks	—	50	50	
TOTAL	255	330	585	36%
Current Income				
Cash & Equivalents	25	25	50	3%
TOTAL	793	890	1,613	
	47%	53%		100%

* Currently allocated to External Management

May 31, 1984

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12/84

MINUTES OF THE RETIREMENT BOARD

City and County of San Francisco

770 Golden Gate Avenue

San Francisco, CA 94102

June 12, 1984 10:00 a.m.

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PRESENT	Leon Bruschera	President
	Peter D. Ashe	Commissioner
	Warren DeMerritt	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner
ABSENT	Meta K. Stanley	Vice President
	Paul F. Denning	Commissioner
	Wendy Nelder, President, Board of Supervisors	

MINUTES Minutes of May 29, 1984

Minutes of June 5, 1984

ACTION: Approved as Submitted

RETIREMENT BOARD

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST, NUMBER 25-83

b) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

Hervy Luster $20,000.00

c) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION - COMPROMISE AND RELEASE:

Nominador Ednalgan $12,000.00

d) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

John F. Kohler

e) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Ulysses Freeman

f) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

Sheldon Shore $20,870.00

ACTION: It was moved by DeMerritt, seconded by Ashe, to approve the Consent Calendar; motion passed, 4-0.

REGULAR CALENDAR

ITEM

1. INVESTMENT DIVISION BUDGET FOR FISCAL YEAR 1984-1985:

Staff presented to the Board a written and oral report on the Investment Division Budget for Fiscal Year 1984-1985. The Board reviewed and discussed the budget in detail with DeWitt Bowman, Chief Investment Officer, Rudolph Hernandez, Retirement Services Manager and Clare Murphy, Staff Actuary.

ACTION: It was moved by DeMerritt, seconded by Weisberg, to adopt the Investment Division Budget for Fiscal Year 1984-1985; motion passed, 4-0.

2. STAFF REPORT RE 401K PLAN PROPOSAL:

Clare Murphy, Staff Actuary and Dan Maguire, Legal Counsel, rendered an oral report on a proposed 401K Plan.

ACTION: No action taken; information item only; to be re-calendared at the July 10, 1984 Board Meeting.

3. RENEWAL OF CONTRACT - CONSULTING ACTUARY, Milliman and Robertson:

Clare Murphy, Staff Actuary, presented a request to approve two actuarial contracts: a) to perform two studies, an actuarial valuation, as required by Charter Sections 8.509h.5. and 8.510, an internal actuarial study; b) to employ a Consulting Actuary, as required by Charter Section 3.672; the Board reviewed and discussed performance guidelines for the Consulting Actuary.

ACTION: It was moved by Weisberg, seconded by Ashe, to approve both Actuarial Contracts for a total of $120,000.00 for fiscal year 1984-1985; motion passed, 4-0.

4. STAFF ACTUARY REPORT RE WASHINGTON, D.C. PENSION COMMISSION CLEARING-HOUSE CONFERENCE AS PRESENTED BY EDWARD H. FRIEND AND COMPANY:

Clare Murphy, Staff Actuary, presented an oral report on her attendance at the Washington, D.C. Pension Commission Conference.

ACTION: No action taken, information item only.

5. REQUEST TO WITHDRAW VESTED FUNDS:

Mary V. Regan

Clare Murphy, Staff Actuary, presented a written request from Mary V. Regan to withdraw vested funds from the Retirement System.

ACTION: It was moved by DeMerritt, seconded by Ashe, to grant Mary V. Regan's request to withdraw vested funds; motion passed, 4-0.

6. HEARING OFFICER DECISIONS:

a) JOE, Raymond — GRANTED
REC & PARK - 3291 Prin. Rec. Supervisor
ORDINARY DISABILITY RETIREMENT
EFFECTIVE DATE: MARCH 23, 1984

b) LIGGINS, Edward A. — GRANTED
POLICE - Q50 Sergeant
INDUSTRIAL DISABILITY RETIREMENT
EFFECTIVE DATE: SEPTEMBER 22, 1982

c) SWEET, James Graham — GRANTED
MUNI - 9126 Transit Traffic Checker
ORDINARY DISABILITY RETIREMENT
EFFECTIVE DATE: APRIL 1, 1984

ACTION: It was moved by Ashe, seconded by Weisberg, to accept the Hearing Officer Decisions; motion passed, 4-0.

7. INTERIM REPORT RE HEARING OFFICER OFFICER DECISIONS:

Staff rendered a written and oral report to the Board on the number and type of cases heard by Hearing Officers for the period July 1, 1983 to March 31, 1984. Michael Hebel, a representative of the Police Officers' Association, and Elmer Ballard, a representative of the Firefighters' Union, Local 798, appeared before the Board and requested that the Board distribute industrial disability retirement cases equally between hearing officers of the Office of Administrative Hearings and the American Arbitration Association. Board members, staff and Mr. Hebel and Mr. Ballard exchanged comments and viewpoints with respect to the request.

ACTION: It was moved by Ashe, seconded by DeMerritt, that staff assign a reasonable number of industrial disability retirement applications to the American Arbitration Association, with the proviso that minimum standards in reporting findings be incorporated as a requirement in the assignment of said applications; motion passed, 4-0.

8. REPORT FROM KEN SAVAGE RE AUDIT OF WORKER'S COMPENSATION:

Rudolph Hernandez rendered an oral report on the Worker's Compensation Audit prepared by Ken Savage. This item was a continuation from the May 8, 1984 Board meeting.

ACTION: No action taken; information item only.

GENERAL MANAGER'S REPORT

The Acting General Manager reported to the Board:

1. That on June 11, 1984, the Civil Service Commission approved all Personal Service Contracts for the Fixed Income and Equity Income Investment Managers.

2. That with the defeat of Proposition "G", the General Manager will confer with Civil Service regarding the examination process for Secretary/General Manager, Chief Investment Officer, and other related positions and will report back at the next Board meeting.

There being no further business, the Board adjourned its meeting at 1:50 p.m.

Respectfully submitted:

Granville DeMerritt

Granville DeMerritt
Acting General Manager

NOTE: Transcript of meeting contains reference to meeting items.
Court Reporter: Olga Hayes Schmitt, CSR.

SF
R55
#3
7/10/84

MINUTES OF THE RETIREMENT BOARD

City and County of San Francisco

770 Golden Gate Avenue

San Francisco, CA 94102

July 10, 1984 10:00 a.m.

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PRESENT:	Leon Bruschera	President
	Meta K. Stanley	Vice President
	Warren DeMerritt	Commissioner
	Paul F. Denning	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner
ABSENT:	Wendy Nelder	President, Board of Supervisors
	Peter D. Ashe	Commissioner

MINUTES: Minutes of Regular Meeting - June 12, 1984

ACTION: Approve as Submitted

RETIREMENT BOARD

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST 1-84

b) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:
Guido Borlo $ 6,600.00

c) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:
Peter Buckley $ 634.20

d) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:
James S. Miranda $ 656.30

e) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE
Cleveland Vickers $ 8,231.99

f) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Rosalys Henderson $ 750.00

g) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION AND COMPROMISE AND RELEASE:
George Dwyer $ 9,551.19
Mervyn Fauss $ 9,666.67

h) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION AND COMPROMISE AND RELEASE:
Curtis F. Dowling $ 5,000.00

i) REQUEST TO WITHDRAW APPLICATION FOR ORDINARY DISABILITY RETIREMENT:
Eliza D. George

j) REQUEST TO WITHDRAW APPLICATION FOR DETERMINATION:
Stephen Lundberg

k) REQUEST TO WITHDRAW APPLICATION FOR INDUSTRIAL DISABILITY:
Vincent L. Sullivan

ACTION: It was moved by Denning, seconded by DeMerritt, to approve the Consent Calendar; motion passed, 5-0.

REGULAR CALENDAR

ITEM

1. REPORT RE CHARTER AMENDMENTS FOR NOVEMBER 1984 BALLOT:

Clare Murphy, Staff Actuary rendered a written and oral report on the Charter Amendments for the November 1984 ballot. The Board reviewed and discussed the six amendments that relate to the Retirement System.

ACTION: It was moved by Weisberg, seconded by DeMerritt, to change the time frame from 90 days to 180 days on the Charter Amendment amending Sections 8.509 and 8.584-5, relating to death benefits for miscellaneous employees (File 252-84); motion passed, 5-0.

2. REPORT RE MINORITY/WOMEN/LOCAL BUSINESS ENTERPRISE ORDINANCE:

Pam Levesque, Executive Assistant to the General Manager, rendered a written and oral report on the Minority/Women/Local Business Enterprise Ordinance; the Board reviewed and discussed the effects this ordinance will have on Retirement System contracts.

ACTION: No action taken; information item only.

3. PUBLIC EMPLOYEE CONFERENCE, SAN FRANCISCO, AUGUST 27-29, 1984:

Granville DeMerritt, Acting General Manager, informed the Board of the staff members attending the Public Employee Conference. The Board informed staff of those Members who would also be attending.

Due to a conflict with the Public Employee Conference and the August 28, 1984 Board meeting, the Board cancelled the August 28th meeting.

4. HEARING OFFICER DECISIONS:

a) BELL, Elizabeth
SFGH - 2322 Head Nurse
ORDINARY DISABILITY RETIREMENT
EFFECTIVE DATE: APRIL 6, 1984 — GRANTED

b) BRANDI, Andrew J.
FIRE - H50 Ass't Chief
INDUSTRIAL DISABILITY RETIREMENT — DENIED

c) DWYER, George D., Jr.
FIRE - H10 Chief's Operator
INDUSTRIAL DISABILITY RETIREMENT
EFFECTIVE DATE: JUNE 11, 1984 — GRANTED

d) DYER, Willie J.
MUNI - 9163 Transit Operator
ORDINARY DISABILITY RETIREMENT
EFFECTIVE DATE: FEBRUARY 15, 1984 — GRANTED

e) HAMBLEY, Haynes
REC-PARK - 3320 Animal Keeper
ORDINARY DISABILITY RETIREMENT — GRANTED

f) SARBER, Barbara L. (continuation) — DENIED

g) YOKLEY, Eugene
PURCHASING - 1936 Sr. Storekeeper
ORDINARY DISABILITY RETIREMENT
EFFECTIVE DATE: APRIL 25, 1984 — GRANTED

ACTION: It was moved by Weisberg, seconded by Stanley, to accept the Hearing Officer Decisions; motion passed, 4-0. (Denning not present)

5. ADJUSTMENT OF RETIREMENT ALLOWANCE:

50% to 63%
Donald Anderson

ACTION: The Board, by ballot vote, voted 5-0 to adjust the retirement allowance from 50% to 63%, effective July 26, 1983.

6. CLOSED SESSION - LITIGATION:

At this point the Board went into closed session to discuss litigation. The Board reconvened in open session and reported the following action has been taken in closed session:

ACTION: No official action taken. Dan Maguire, Legal Counsel, updated the Board on the status of a lawsuit (Cora Moore) and advised that he had petitioned the Court of Appeals for reconsideration and if denied, would petition the Supreme Court for review.

INVESTMENTS CALENDAR

ITEM

1. REPORT RE COUNCIL OF INSTITUTIONAL SHAREHOLDERS:

DeWitt Bowman, Chief Investment Officer, reported on a recent meeting he attended in Sacramento on the formation of a Council of Institutional Shareholders. Commissioner Denning, who also attended the meeting, reported his observations to the Board.

ACTION: No action taken; information item only.

2. REPORT RE FUNDS DISTRIBUTION TO EQUITY AND BOND MANAGERS:

DeWitt Bowman, Chief Investment Officer, gave a progress report that funds had been set up for the money managers and were operational since July 1, 1984.

ACTION: No action taken; information item only. A detailed report will be furnished the Board at its August 14th meeting.

3. PROGRESS REPORT RE CUSTODIAL SERVICES CONTRACT:

DeWitt Bowman, Chief Investment Officer, gave a progress report on the search for a new Custodian. The Board engaged in a question and answer period.

ACTION: No action taken; information item only.

SUPPLEMENTAL CALENDAR

ITEM

1. REQUEST FOR DATA RE IMPLEMENTATION OF PROPOSITION E: IFPTE, LOCAL 21:

David Novogrodsky from Local 21 requested that the Board release data in order to begin implementing Proposition E. The Board discussed the

request with Clare Murphy, Staff Actuary, and then directed the Acting General Manager and the Staff Actuary to conduct a meeting with all the necessary parties concerned with the transference of data. The meeting is to be held as soon as possible.

ACTION: No action taken; information item only.

GENERAL MANAGER'S REPORT

The Acting General Manager reported to the Board:

1. That the Exam Announcement for General Manager will be ready on or about September 1, 1984. The Civil Service Commission, at its next meeting, is scheduled to approve the funding of the consultants who will be responsible for the General Manager's exam process. Mr. DeMerritt also reported that he and Rudolph Hernandez had met with Jim Newman, the consultant preparing the examinations for Chief Investment Officer and Assistant Chief of Investments. The exam announcement for these two positions will be ready in one month.

2. That Rudolph Hernandez, Manager of Retirement Services, gave the Board an update on the status of the 1984/85 Retirement System Budget and to date one position, a 1750 Microfilm Technician, has been cut out of the budget.

3. That Clare Murphy, Staff Actuary, would give an update on the 401K Plan. Clare Murphy reported that the 401K Plan proposal would be ready to present to the Board at the first meeting in September.

4. That Rudolph Hernandez, Manager of Retirement Services, would report on the pending move to 1155 Market Street. Rudolph Hernandez reported that the move is now being scheduled for sometime in late September.

There being no further business, the Board adjourned its meeting at 2:30 p.m.

Respectfully submitted,

Granville DeMerritt

Granville DeMerritt
Acting General Manager

NOTE: Transcript of meeting contains reference to meeting items.
Court Reporter: Suzanne Miller, CSR.

CALENDAR

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RETIREMENT BOARD

CITY AND COUNTY OF SAN FRANCISCO

770 GOLDEN GATE AVENUE, ROOM 250

TUESDAY, JULY 31, 1984

10:00 a.m.

Leon Bruschera	President
Meta K. Stanley	Vice-President
Peter D. Ashe	Commissioner
Warren DeMerritt	Commissioner
Paul F. Denning	Commissioner
Raymond L. Weisberg, M.D.	Commissioner

Wendy Nelder — President, Board of Supervisors

Granville DeMerritt — Acting General Manager
Retirement System

RETIREMENT BOARD

REGULAR MEETING

MINUTES

Minutes of July 10, 1984 submitted for approval.

CONSENT CALENDAR

All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Retirement Board and will be acted upon by a single vote of the Board. There will be no separate discussion on these items unless a member of the Board so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.

ITEM

a) VOLUNTARY SERVICE RETIREMENT LISTS, NUMBERS 2-84 AND 3-84:

b) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
John Dunn $ 14,887.15

c) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Jessie Mills $ 750.00

d) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Daniel Roberts $ 12,500.00

e) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:
Carolyn Rothman Tune $ 7,666.67

f) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION AND COMPROMISE AND RELEASE:
Dennis Brown $ 3,035.00

g) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION AND COMPROMISE AND RELEASE:
Yocie Wilson $4,500.00

h) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Gloria Buck

i) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION:
Nancy L. Cassley

j) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION:
Gerald E. Decuir

k) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Michael J. Pera

l) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION:
Beverly Royal

ACTION:

REGULAR CALENDAR

ITEM

1. REPORT RE CHARTER AMENDMENTS FOR NOVEMBER 1984 BALLOT:

   ACTION:

2. PROPOSED AMENDMENT TO BOARD RULE 17 HEARING OFFICER:

   ACTION:

3. HEARING OFFICER DECISIONS:

   a) DEL CHIARO, Dante
      POLICE - Q60 Lieutenant
      INDUSTRIAL DISABILITY RETIREMENT — DENIED

   b) FLAMER, Freddie
      AIRPORT - 9210 Airport Police Officer
      ORDINARY DISABILITY RETIREMENT
      EFFECTIVE DATE: July 1, 1984 — GRANTED

   c) GALLAGHER, John J.
      FIRE - H2 Firefighter
      INDUSTRIAL DISABILITY RETIREMENT
      EFFECTIVE DATE: September 18, 1983 — GRANTED

   d) GLICKMAN, William I.
      POLICE - Q50 Sergeant
      INDUSTRIAL DISABILITY RETIREMENT — DENIED

   e) KELLEY, Robert E.
      POLICE - Q50 Sergeant
      INDUSTRIAL DISABILITY RETIREMENT
      EFFECTIVE DATE: February 1, 1984 — GRANTED

   f) MOYLAN, James F.
      POLICE - 0380 Inspector
      INDUSTRIAL DISABILITY RETIREMENT — DENIED

   g) SIMMONS, Patrick K.
      POLICE - Q60 Lieutenant
      INDUSTRIAL DISABILITY RETIREMENT — DENIED

   ACTION:

4. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION:

   Ella R. Wilson

   ACTION:

INVESTMENT CALENDAR

ITEM

1. AMENDMENT TO RESOLUTION RE CERTIFICATION OF AUTHORIZATION TO TRANSFER:

   ACTION:

2. REQUEST FOR GENERAL MANAGER AND CHIEF INVESTMENT OFFICER TO VISIT NEW YORK CITY RE BOND MANAGER FIRMS AND POTENTIAL MASTER TRUST CUSTODIAN:

   ACTION:

3. PRESENTATION BY CAL-HOME AND FEDERAL PACIFIC CORPORATION RE PARTICIPANT MORTGAGE PROGRAM:

   ACTION:

GENERAL MANAGER'S REPORT

BOARD MEMBERS

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MINUTES OF THE RETIREMENT BOARD

City and County of San Francisco
770 Golden Gate Avenue
San Francisco, CA 94102

August 7, 1984 10:00 a.m.

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PRESENT:	Meta K. Stanley	Vice President
	Peter D. Ashe	Commissioner
	Warren DeMerritt	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner
ABSENT:	Wendy Nelder	President, Board of Supervisors
	Leon Bruschera	President
	Paul F. Denning	Commissioner

MINUTES: Minutes of Regular Meeting - July 10, 1984

ACTION: Approved as Submitted

RETIREMENT BOARD

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM

a) VOLUNTARY SERVICE RETIREMENT LISTS, NUMBERS 2-84 AND 3-84:

b) SETTLEMENT OF DISPUTED CLAIM: $ 3,000.00
Annie Williams

c) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
John Dunn $ 14,887.15

d) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Larry D. Gordon $ 3,000.00

e) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
John Lazarich $ 15,000.00

f) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Jessie Mills $ 750.00

g) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Daniel Roberts $ 12,500.00

h) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:
Carolyn Rothman Tune $ 7,666.67

i) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION AND COMPROMISE AND RELEASE:
Dennis Brown $ 3,035.00

j) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION AND COMPROMISE AND RELEASE:
Yocie Wilson $ 4,500.00

k) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Gloria Buck

l) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Nancy L. Cassley

m) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Dwight W. Clark

n) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Gerald E. Decuir

o) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Michael J. Pera

p) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Beverly Royal

q) REQUEST TO WITHDRAW APPLICATION FOR ORDINARY DISABILITY RETIREMENT:

Bernice D. Gray

ACTION: It was moved by DeMerritt, seconded by Weisberg, to approve the Consent Calendar; motion passed, 4-0.

REGULAR CALENDAR

ITEM

1. REPORT RE CHARTER AMENDMENTS FOR NOVEMBER 1984 BALLOT:

Clare Murphy, Staff Actuary rendered a written and oral report on the status of the proposed charter amendments for the November 1984 Ballot.

ACTION: No action taken; information item only.

2. PROPOSED AMENDMENT TO BOARD RULE 17 HEARING OFFICER:

Granville DeMerritt, Acting General Manager, presented written and oral information pertaining to the proposed rule 17, Hearing Officer. The Board reviewed and discussed the rule with Mr. DeMerritt and Dan Maguire, Legal Counsel.

ACTION: No action taken; new language will be drafted and submitted to the Board at a future meeting for final adoption.

3. HEARING OFFICER DECISIONS:

a) BYRNE, Hugh C.
FIRE - H2 Firefighter
INDUSTRIAL DISABILITY RETIREMENT
EFFECTIVE DATE: July 31, 1983 — GRANTED

b) CALAMONERI, Eugene
FIRE - H40 Battalion Chief
INDUSTRIAL DISABILITY RETIREMENT
EFFECTIVE DATE: February 9, 1983 — GRANTED

c) DEL CHIARO, Dante
POLICE - Q60 Lieutenant
INDUSTRIAL DISABILITY RETIREMENT — DENIED

d) FLAMER, Freddie
AIRPORT - 9210 Airport Police Officer
ORDINARY DISABILITY RETIREMENT
EFFECTIVE DATE: July 1, 1984 — GRANTED

e) GALLAGHER, John J.
FIRE - H2 Firefighter
INDUSTRIAL DISABILITY RETIREMENT
EFFECTIVE DATE: September 18, 1983 — GRANTED

f) GLICKMAN, William I.
POLICE - Q50 Sergeant
INDUSTRIAL DISABILITY RETIREMENT — DENIED

g) KELLY, Robert E.
POLICE - Q50 Sergeant
INDUSTRIAL DISABILITY RETIREMENT
EFFECTIVE DATE: February 1, 1984 GRANTED

h) MOYLAN, James F.
POLICE - 0380 Inspector
INDUSTRIAL DISABILITY RETIREMENT DENIED

i) SIMMONS, Patrick K.
POLICE - Q60 Lieutenant
INDUSTRIAL DISABILITY RETIREMENT DENIED

ACTION: It was moved by Weisberg, seconded by Ashe, to accept the Hearing Officer decisions, except cases a) and b), above, referred for rehearing at request of Legal Counsel; motion passed, 4-0.

4. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Ella R. Wilson

ACTION: It was moved by DeMerritt, seconded by Weisberg, to grant the request to withdraw funds from the Deferred Compensation Plan; motion passed, 4-0.

INVESTMENT CALENDAR

ITEM

1. AMENDMENT TO RESOLUTION RE CERTIFICATION OF AUTHORIZATION TO TRANSFER:

ACTION: It was moved by Weisberg, seconded by Ashe, to amend the resolution relating to the Certification of Authorization to transfer; motion passed, 4-0.

2. REQUEST FOR GENERAL MANAGER AND CHIEF INVESTMENT OFFICER TO VISIT NEW YORK CITY RE BOND MANAGER FIRMS AND POTENTIAL MASTER TRUST CUSTODIAN:

ACTION: It was moved by Ashe, seconded by DeMerritt, to approve the request for the General Manager and the Chief Investment Officer to visit New York City re Bond Manager firms and potential Master Trust Custodian at a future Board meeting.

NOTE: Staff is to furnish process for selection of Master Trust Custodian at a future Board meeting.

3. RESOLUTION ON SHAREHOLDERS PROXY PROCEDURES:

DeWitt Bowman, Chief Investment Officer rendered a written and oral report to the Board on a proposed Resolution on Shareholders Proxy Procedures.

ACTION: It was moved by Ashe, seconded by DeMerritt, to adopt the proposed Resolution on Shareholders Proxy Procedures; the motion passed, 4-0.

4. PRESENTATION BY CAL-HOME AND FEDERAL PACIFIC CORPORATION RE PARTICIPANT MORTGAGE PROGRAM:

Tom Leatherwood of CAL-HOME and E. Lee Brazil of Federal Pacific Corporation rendered a written and oral presentation on a participant

mortgage program. DeWitt Bowman, Chief Investment Officer made a staff presentation. The Board engaged in a question and answer session with Tom Leatherwood, Lee Brazil, DeWitt Bowman and Diane Gale, Assistant Chief of Investments.

ACTION: No action taken; this matter was continued to a future Board meeting.

SUPPLEMENTAL CALENDAR

ITEM

1. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

   Carolyn Pasquariello $ 3,000.00

   ACTION: It was moved by Weisberg, seconded by DeMerritt, to approve the Settlement of Disputed Claim; the motion passed, 4-0.

2. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

   James E. Perry $ 1,000.00

   ACTION: It was moved by Weisberg, seconded by Ashe, to approve the Settlement of Disputed Claim. The motion passed, 4-0.

3. HEARING OFFICER DECISIONS:

   a. HICKS, James W.
   POLICE - Q60 Lieutenant
   INDUSTRIAL DISABILITY RETIREMENT DENIED

   b. MARTINEZ, James F.
   POLICE - Q60 Lieutenant
   INDUSTRIAL DISABILITY RETIREMENT DENIED

   ACTION: It was moved by Weisberg, seconded by Ashe, to accept the Hearing Officer Decisions; the motion passed, 4-0.

4. REQUEST TO CANCEL APPLICATION FOR RETIREMENT:

   Donald P. Lucey

   ACTION: It was moved by Weisberg, seconded by Ashe, to approve the request to cancel application for retirement; motion passed, 4-0.

General Manager's Report

The Acting General Manager reported to the Board:

1. That a Benefit Survey had been conducted by Pam Levesque, Executive Assistant to the General Manager. Pam Levesque and Clare Murphy discussed the survey and the results with the Board.
2. That the lease for 1155 Market Street had been signed and we should move in late October or early November.
3. That the Institutional Investor Convention in Colorado Springs attended by Granville DeMerritt was the most informative conference he had attended. A detailed report will be presented at a future Board meeting.

4. That a petition is being circulated in San Francisco for the November 1984 election, a "Declaration of Policy" that would prohibit the investment of pension monies in firms doing business in South Africa.

5. That Callan Associates had invited Board members to a dinner affair during the Public Employee Pension Conference in San Francisco, August 27-29, 1984. The Board indicated who would be able to attend.

CLOSED SESSION

At this point, the Board went into Closed Session to discuss personnel and litigation matters.

The Board reconvened in Open Session and announced the following action was taken in closed session:

ACTION: It was moved by Weisberg, seconded by DeMerritt, to approve the Settlement of Disputed Claim made by Joseph Scott Smith; the motion passed, 4-0.

There being no further business the Board adjourned its meeting at 2:30 p.m.

Respectfully submitted,

Granville DeMerritt
Acting General Manager

NOTE: Transcript of meeting contains reference to meeting items.

Court Reporter: Suzanne Miller, CSR.

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8/14/84

MINUTES OF THE RETIREMENT BOARD

City and County of San Francisco
770 Golden Gate Avenue
San Francisco, CA 94102

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August 14, 1984 9:00 a.m.

PRESENT:	Meta K. Stanley	Vice President
	Peter D. Ashe	Commissioner
	Warren DeMerritt	Commissioner
	Paul F. Denning	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner
ABSENT:	Leon Bruschera	President
	Wendy Nelder	President, Board of Supervisors

MINUTES: Minutes of Regular Meeting - August 7, 1984

ACTION: Approved as Submitted

QUARTERLY INVESTMENT MEETING

INVESTMENT CALENDAR

ITEM

1. PERFORMANCE MEASUREMENT REPORT - CALLAN ASSOCIATES FOR QUARTER ENDING JUNE 30, 1984:

   A representative of Callan Associates, Mr. Ron Peyton, presented a written and oral report to the Board on the measurement of the Retirement System's investment portfolio for the quarter ending June 30, 1984. Following completion of the written and oral report, Board members, Staff and Callan Associates exchanged views and comments on the contents of the reports. No action was taken by the Board on the reports.

2. PRESENTATION BY EQUITY FUND MANAGERS RE EQUITY INVESTMENTS FOR QUARTER ENDING JUNE 30, 1984:

   Representatives of the following firms, Investment Managers of the equity portion of the Retirement System's portfolio, rendered written and oral reports to the Board on the status of equity investments for the quarter ending June 30, 1984:

   a) Eaton and Howard, Vance Sanders, Inc.
   b) Loomis, Sayles and Company
   c) Crocker Investment Management Corp.
   d) George B. Springman, Inc.

   Board members and representatives of the firms exchanged viewpoints and comments on portfolio performance and on matters concerning current and projected economic conditions. No action was taken by the Board on the reports.

3. REVIEW AND DISCUSSION OF INTERNAL MANAGED FUNDS FOR PERIOD ENDING JUNE 30, 1984:

   DeWitt Bowman, Chief Investment Officer, and Diane Gale, Assistant Chief of Investments, rendered written and oral reports on the following areas of the internally managed funds for the quarter ending June 30, 1984:

   a) Bond Transactions
   b) Common Stock Transactions
   c) Convertible Bond Transactions
   d) California Residential Mortgage Transactions (BOSCO)

   The Board engaged in a question and answer period with Mr. Bowman and Ms. Gale regarding the transactions for the quarter. No action was taken by the Board on the reports

4. STAFF RECOMMENDATION RE ESTABLISHING EQUITY INDEX FUND:

   DeWitt Bowman, Chief Investment Officer, rendered a written and oral report to the Board on the establishment of an Equity Index Fund.

Mr. Bowman requested the Board delay action on this item until staff can bring a complete recommendation after the trip East to visit the Master Trust Custodians.

ACTION: No action taken; information item only.

5. STAFF RECOMMENDATION RE ALLOCATION OF FUNDS FOR PERIOD ENDING OCTOBER 31, 1984:

DeWitt Bowman and Diane Gale presented to the Board a recommended policy for the investment and allocation of funds for the period ending October 31, 1984. (See attached)

ACTION: It was moved by Weisberg, seconded by Denning, to approve staff's recommendation on the allocation of funds for the period ending October 31, 1984; motion passed, 5-0.

6. PRESENTATION BY CAL-HOME AND FEDERAL PACIFIC CORPORATION RE PLAN PARTICIPANT MORTGAGE PROGRAM (CONTINUED FROM MEETING OF 08/07/84):

Tom Leatherwood of CAL-HOME and E. Lee Brazil of Federal Pacific Corporation rendered a written and oral presentation on a participant mortgage program. DeWitt Bowman, Chief Investment Officer, and Diane Gale, Assistant Chief of Investments, made a staff presentation. The Board engaged in a question and answer period with Mr. Leatherwood, Mr. Brazil, Mr. Bowman, and Ms. Gale.

ACTION: No action taken; this matter was continued to the Board meeting of September 11, 1984.

NOTE: Dr. Weisberg left the meeting at this time.

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST, 4-84:

b) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

Eddie Mae Craney $ 500.00

c) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Felix L. Martin

ACTION: It was moved by Ashe, seconded by DeMerritt, to approve the Consent Calendar; motion passed, 4-0.

REGULAR CALENDAR

GENERAL MANAGER'S REPORT

The Acting General Manager reported to the Board:

1. Clare Murphy, Staff Actuary, reported on a potential contract between the Civil Service Commission and Bill Smith of Milliman and Robertson. The Board discussed the issue of conflicting interest and decided there would not be a conflict of interest should Mr. Smith become a Consulting Actuary for the Civil Service Commission.

2. That the petition on the "DECLARATION OF POLICY TO PROHIBIT INVESTMENT OF SAN FRANCISCO PENSION FUNDS IN SOUTH AFRICA" received enough signatures to be placed on the November 1984 ballot. The Board reviewed and discussed the Initiative and the effects it would have to the Retirement System.

3. Mr. DeMerritt distributed copies of the ballot arguments relating to the charter amendments being sponsored by the Retirement Board.

4. The Board discussed an upcoming International Pension Conference being held in Washington, D.C. on September 4,5,6, 1984, sponsored by Pension Benefit Guaranty Corporation.

ACTION: It was moved by Ashe, seconded by Denning, to approve Dr. Weisberg's attendance at the International Pension Conference, September 4,5,6, 1984 in Washington, D.C.; motion passed, 4-0.

There being no further business, the Board adjourned its meeting at 3:45 p.m.

Respectfully submitted,

Granville DeMerritt
Acting General Manager

NOTE: Transcript of meeting contains reference to meeting items.

Court Reporter: Suzanne Miller, CSR.

August 9, 1984

San Francisco City and County Employees' and
Retirement System Recommended Asset Allocation
For the Quarter ending Sept. 30, 1984

FUNDS ANALYSIS

INVESTMENT RESERVES AS OF July 1, 1984	$255,005,050
Projected net cash additions to portfolio for the Quarter	19,500,000
Projected Equity dividend income for the Quarter	4,588,760
Projected Fixed Income interest income for the Quarter	25,720,031
Total funds available	$304,813,841

RECOMMENDED NET CASH FLOW ASSET ALLOCATION FOR
The Quarter Ending Sept. 30, 1984

Funds invested in common stock:	
Crocker Investment Management Corp. --	1,637,941
Eaton, Vance Management Inc.	359,463
Loomis-Sayles and Co., Inc.	1,584,915
G.B. Springman Inc.	956,391
Index	-
Internal	-
Funds invested in equity real estate	-
Funds invested in Fixed Income	
Bankers Trust	955,386
Lehman Management	1,243,148
McKay Shields	2,315,824
Scudder Stevens Clark	988,966
Internal-Active	39,766,757
-less liquid	-
Funds Invested in California Residential Mtgs.	-
	$49,808,791
Previously allocated	255,005,050
	$304,813,841

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MINUTES OF THE RETIREMENT BOARD

City and County of San Francisco
770 Golden Gate Avenue
San Francisco, CA 94102

September 11, 1984 10:00 a.m.

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PRESENT:	Meta K. Stanley	Vice President
	Peter D. Ashe	Commissioner
	Warren DeMerritt	Commissioner
	Paul F. Denning	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner
ABSENT:	Leon Bruschera	President
	Wendy Nelder	President, Board of Supervisors

MINUTES: Minutes of Regular Meeting - August 14, 1984

ACTION: Approved as Submitted

RETIREMENT BOARD

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST, NUMBER 5-84:

b) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:
Elizabeth Pfaus $ 269.00

c) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:
Daniel Salazar $ 4,500.00

d) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:
Kevin Cushman $ 1,038.37

e) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Donald VanTricht $10,000.00

f) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:
Jesse Kelly $ 1,500.00

g) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:
Phillip Burton $ 1,320.00

h) REQUEST TO WITHDRAW APPLICATION FOR INDUSTRIAL DISABILITY RETIREMENT:
Michael Morris

i) REQUEST TO WITHDRAW APPLICATION FOR INDUSTRIAL DISABILITY RETIREMENT:
Alan Larkin

j) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION:
Patrick Duncan

k) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION:
Sonia Reyes

l) CORRECTION OF BIRTHDATE:
Ching-Sen Yeung

ACTION: It was moved by Denning, seconded by DeMerritt, to approve the Consent Calendar; motion passed, 4-0.

NOTE: Dr. Weisberg arrived at the meeting at this time.

REGULAR CALENDAR

ITEM

1. HEARING OFFICER REPORT FOR FISCAL YEAR 1983-84:

Staff presented to the Board the Annual Report on the Hearing Officer decisions. The Board and Staff reviewed and discussed contents of the report.

ACTION: It was moved by Ashe, seconded by Denning, to accept the Hearing Officers' Annual Report; motion passed, 5-0.

2. HEARING OFFICER DECISIONS:

a) ADAMS, Susie
PUBLIC HEALTH - 2312 LVN
ORDINARY DISABILITY RETIREMENT
EFFECTIVE DATE: MARCH 1, 1984 — GRANTED

b) ARMSTRONG, Ralph P.
FIRE - H20 LT.
INDUSTRIAL DISABILITY RETIREMENT
EFFECTIVE DATE: JULY 29, 1984 — GRANTED

c) BAIREUTHER, Robert J.
FIRE - H2 Firefighter
INDUSTRIAL DISABILITY RETIREMENT — DENIED

d) BERTUCCI, Diana (Gary P.)
POLICE
CONTINUATION — GRANTED

e) BUSALACCHI, Mario
POLICE - Q50 Sgt.
INDUSTRIAL DISABILITY RETIREMENT — DENIED

f) DONOHOE, Andy J.
MUNI RR - 9163 Transit Operator
ORDINARY DISABILITY RETIREMENT
EFFECTIVE DATE: JULY 1, 1984 — GRANTED

g) HARTLEY, John A.
FIRE - H20 Lt.
INDUSTRIAL DISABILITY RETIREMENT
EFFECTIVE DATE: July 10, 1983 — GRANTED

h) HOUSE, T.V., Jr.
MUNI RR - 9163 Transit Operator
ORDINARY DISABILITY RETIREMENT
EFFECTIVE DATE: APRIL 1, 1984 — GRANTED

i) MACARILAY, Juana W.
PUBLIC HEALTH - SFGH - 1428 Ward Clerk
ORDINARY DISABILITY RETIREMENT
EFFECTIVE DATE: JUNE 12, 1984 — GRANTED

j) McDONNELL, Helen (Eugene)
POLICE
CONTINUATION — GRANTED

k) MULRY, Robert C.
POLICE
INDUSTRIAL DISABILITY RETIREMENT — DENIED

l) NEUENBERG, Donald
PUBLIC HEALTH - LHH - 2920 Medical Social Worker
ORDINARY DISABILITY RETIREMENT
EFFECTIVE DATE: OCTOBER 1, 1983 — GRANTED

m) RIBERO, Florence (James F.)
POLICE
CONTINUATION GRANTED

ACTION: It was moved by Weisberg, seconded by DeMerritt, to accept the Hearing Officer Decisions; motion passed, 5-0.

INVESTMENTS CALENDAR

ITEM

1. PRESENTATION BY CAL-HOME AND FEDERAL PACIFIC CORPORATION RE PARTICIPANT MORTGAGE PROGRAM:

   This item was continued from the August 14, 1984 Board meeting. Tom Leatherwood of CAL-HOME and E. Lee Brazil of Federal Pacific Corporation reviewed and discussed with the Board a plan participant California Residential Mortgage Program. Staff rendered a written and oral report to the Board regarding the proposed plan.

   ACTION: It was moved by Weisberg, seconded by Ashe, to approve the investment of $ 20 million in a plan participant California residential mortgage program as set forth in the proposal submitted by CAL-HOME and Federal Pacific Corporation; motion passed, 4-1 (Denning).

2. REPORT RE MEETINGS WITH MASTER TRUST CUSTODIANS:

   DeWitt Bowman, Chief Investment Officer and Granville DeMerritt, General Manager reported to the Board on a recent visit to a number of Master Trust Custodian firms. The Board and Staff reviewed and discussed the process involved in screening and evaluating the various Custodial candidates. Mr. Bowman advised the Board that demonstrations of the custodial process will be conducted by several firms during the next two week period.

   ACTION: No action taken; information item only.

3. REPORT RE INITIATIVE ON INVESTMENTS IN SOUTH AFRICA:

   DeWitt Bowman, Chief Investment Officer and Granville DeMerritt, General Manager rendered an oral report to the Board on the status of the initiative petition on the November 6, 1984 local ballot prohibiting investments in firms that conduct business in South Africa. The Board and Staff reviewed and discussed issues concerning the initiative.

   ACTION: No action taken; information item only.

GENERAL MANAGERS REPORT

The General Manager rendered the following report:

1. That the examination announcements for the positions of Chief Investment Officer and Assistant Chief of Investments had been released on August 31, 1984.

2. That the Public Employees Conference held in San Francisco August 27, 28 and 29th, 1984 was a successful conference regarding a number of issues and problems affecting Public Pension Plans.

NOTE: Commissioner Denning left the meeting at this point.

BOARD MEMBERS

30th Annual Educational Conference of the International Foundation of Employee Benefit Plans.

ACTION: It was moved by Weisberg, seconded by DeMerritt to affirm the attendance of Commissioners Ashe and DeMerritt at the Conference, November 9-14, 1984, in Orlando, Florida; motion passed, 4-0.

SUPPLEMENTAL CALENDAR

ITEM

1. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION:

   George R. Jackson

   ACTION: It was moved by Weisberg, seconded by DeMerritt to approve the Request to Withdraw Funds from Deferred Compensation; the motion passed, 4-0.

2. SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:

   Murphy McCoy $ 494.73

   ACTION: It was moved by Ashe, seconded by Weisberg to approve the Settlement of Disputed Claim; motion passed, 4-0.

3. SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:

   James Miller $ 5,080.00

   ACTION: It was moved by Ashe, seconded by DeMerritt to approve the Settlement of Disputed Claim; motion passed, 4-0.

4. SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:

   Kevin Lee $ 1,000.00

   ACTION: It was moved by Ashe, seconded by DeMerritt to approve the Settlement of Disputed Claim; motion passed, 4-0.

5. REQUEST TO WITHDRAW APPLICATION FOR ORDINARY DISABILITY:

   Lynn J. English

   ACTION: It was moved by DeMerritt, seconded by Ashe to approve the Request to Withdraw Application for Ordinary Disability; motion passed, 4-0.

6. REQUEST TO WITHDRAW APPLICATION FOR INDUSTRIAL DISABILITY RETIREMENT:

   Ronald Restivo

   ACTION: It was moved by DeMerritt, seconded by Ashe to approve the Request to Withdraw Application for Industrial Disability Retirement; motion passed, 4-0.

7. APPROVAL OF RETIREMENT BOARD ELECTION DATES:

   ACTION: It was moved by DeMerritt, seconded by Weisberg to approve the Retirement Board Election Dates; motion passed, 4-0.

There being no further business, the Board adjourned its meeting at 12:15 p.m.

Respectfully submitted,

Granville DeMerritt
General Manager

NOTE: Transcript of meeting contains reference to meeting items.

Court Reporter: Carolyn Wilson, CSR.

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25/84

MINUTES OF THE RETIREMENT BOARD

City and County of San Francisco
770 Golden Gate Avenue
San Francisco, CA 94102

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September 25, 1984 10:00 a.m.

PRESENT:	Leon Bruschera	President
	Meta K. Stanley	Vice President
	Peter D. Ashe	Commissioner
	Warren DeMerritt	Commissioner
	Paul F. Denning	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner

ABSENT: Wendy Nelder, President, Board of Supervisors

MINUTES: Minutes of Regular Meeting - September 11, 1984

ACTION: Approved as Submitted

RETIREMENT BOARD

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST, NUMBER 6-84:

b) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION

Yetta Miller $ 179.19

c) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE

James K. Murray, deceased $ 27,168.00

d) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Yvonne Hubert

e) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Margaret Wyatt

ACTION: It was moved by Stanley, seconded by Ashe, to approve the Consent Calendar; motion passed, 4-0

NOTE: Dr. Weisberg and Commissioner Denning arrived at the meeting at this time.

REGULAR CALENDAR

ITEM

1. REQUEST FOR RETIRED LIVES DATA FROM U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:

Clare Murphy, Staff Actuary and William Fernandez of the Department of Health and Human Services, presented a written and oral request for Retired Lives Data. The nature of the audit was discussed and reviewed by the Board.

ACTION: It was moved by Denning, seconded by Stanley, to approve the request for Retired Lives Data to be supplied by the Retirement System; motion passed, 6-0.

2. ANNUAL REPORT RE DEFERRED COMPENSATION PLAN - THE HARTFORD VARIABLE ANNUITY LIFE INSURANCE COMPANY:

ACTION: This item was put over to later meeting so that representatives of Hartford would be able to make a presentation.

3. PROGRESS REPORT RE 401K PLAN:

Clare Murphy, Staff Actuary and Dan Maguire, Legal Counsel, rendered an oral report on the progress being made towards bringing a 401K Plan proposal to the Board for action. The Board reviewed and discussed the various options and encouraged staff to continue their work in preparing a proposed plan.

ACTION: No action taken; information item only.

4. PROPOSED AMENDMENT TO BOARD RULE 17 HEARING OFFICER:

Granville DeMerritt, General Manager, and Dan Maguire, Legal Counsel, presented a Proposed Amendment to Board Rule 17 Hearing Officer. The Board reviewed and discussed the Rule change.

ACTION: It was moved by Denning, seconded by Ashe, to post the amended Rule 17 with an additional deletion in Section 17.10 that will read: "In the event the Retirement Board decided to rehear the application, the Board's decision shall be final upon service to PERS and shall not be subject to petition for rehearing"; motion passed, 6-0

5. HEARING OFFICER DECISIONS:

a) HESSE, Ted H.
FIRE - H-32 Captain
INDUSTRIAL DISABILITY RETIREMENT
EFFECTIVE DATE: September 8, 1984 GRANTED

b) HILL, Mary E.
SFGH - 2302 Orderly
ORDINARY DISABILITY RETIREMENT
EFFECTIVE DATE: May 1, 1984 GRANTED

c) NORDYKE, Terence P.
RETIREMENT - 1813 Retirement Analyst
ORDINARY DISABILITY RETIREMENT
EFFECTIVE DATE: August 1, 1984 GRANTED

d) PRIMUS, Clovis
MUNI - 9163 Transit Operator
ORDINARY DISABILITY RETIREMENT
EFFECTIVE DATE: July 1, 1984 GRANTED

e) SWENSON, Judith A.
CITY ATTORNEY - Deputy City Attorney
ORDINARY DISABILITY RETIREMENT
EFFECTIVE DATE: December 1, 1984 GRANTED

f) TRIPLETT, Mary L.
DPH - 2574 Clinical Psychologist
ORDINARY DISABILITY RETIREMENT
EFFECTIVE DATE: October 1, 1984 GRANTED

ACTION: It was moved by Stanley, seconded by Ashe, to accept the Hearing Officer Decisions; motion passed, 6-0.

6. 1983-1984 ANNUAL REPORT - INITIAL SUBMISSION:

Pam Levesque, Executive Assistant to the General Manager, and Rudy Hernandez, Manager, Retirement Services, presented the first draft of the 1983-1984 Annual Report. The Board reviewed and discussed the Report. Several additions and corrections were suggested and will be made prior to the final presentation for Board adoption on October 9, 1984

ACTION: No action taken; information item only.

INVESTMENTS CALENDAR

ITEM

1. RESOLUTION RE DECLARATION OF POLICY ON SOUTH AFRICA INVESTMENTS:

Granville DeMerritt, General Manager, and DeWitt Bowman, Chief Investment Officer rendered a written and oral report and presented a resolution to be adopted in opposition of the proposed Declaration of Policy on South African Investments that is on the November 6, 1984 Ballot. The Board reviewed and discussed the issue and the Resolution.

ACTION: It was moved by Ashe, seconded by Denning, to adopt the Resolution with a modification to the Third Whereas that shall include the Board's policy on investments in South Africa; motion passed, 6-0.

2. RECOMMENDATION RE SELECTION OF MASTER TRUST CUSTODIAN:

DeWitt Bowman, Chief Investment Officer and Diane Gale, Assistant Chief of Investments, presented a written and oral report on the selection of a Master Trust Custodian. The Board reviewed and discussed the selections and the recommendation that was made by staff.

ACTION: It was moved by Ashe, seconded by Stanley, to approve the selection of Bankers Trust Company as the Master Trust Custodian of the Retirement Fund.

3. RECOMMENDATION RE ESTABLISHMENT AND MANAGEMENT OF EQUITY INDEX FUND.

DeWitt Bowman and Diane Gale rendered a written and oral report on the recommendation of the establishment and management of an Equity Index Fund. The Board reviewed and discussed the recommendation with staff.

ACTION: It was moved by Ashe, seconded by Weisberg, to approve allocating $85 million to Great American Core Company as the Retirement Fund's Equity Index Fund; motion passed, 5-1 (Stanley).

4. REPORT RE ASSET ALLOCATION STUDY:

DeWitt Bowman and Diane Gale rendered a written and oral report on an Asset Allocation Study to be completed for the Retirement Fund. The Board engaged in questions and answers with staff on the information that would be gained from the study.

ACTION: It was moved by Weisberg, seconded by Denning, to approve the allocation study to be performed by Callan and Associates in the amount of $12,000; motion passed, 6-0.

NOTE: Dr. Weisberg left the meeting at this time.

5. INVESTMENT MANAGER FIDELITY BONDING:

DeWitt Bowman, Chief Investment Officer, submitted a written report to the Board recommending that the Board establish a minimum amount of $500,000 fidelity bonding for external investment managers retained by the Board to manage retirement funds.

ACTION: It was moved by Ashe, seconded by DeMerritt, to approve the recommendation that $500,000 be established as a minimum fidelity bond for external investment managers; motion passed, 5-0.

6. INSTITUTIONAL INVESTOR ANNUAL BOND CONFERENCE OCTOBER 25 AND 26, 1984 IN NEW YORK CITY.

ACTION: It was moved by Ashe, seconded by Denning, to send Diane Gale, Assistant Chief of Investments, to New York City to attend the Annual Bond Conference October 25 and 26, 1984; motion passed, 5-0.

GENERAL MANAGER'S REPORT

The General Manager reported that:

1. The move to 1155 Market Street has been delayed until the Spring, 1985. The delay is due to the plans for the office construction being held up at the Planning Department.

2. That he had attended a meeting in Sacramento with Retirement System Administrators from other California counties and cities. The group is organizing to, among other things, be alert to State legislation affecting Retirement Systems.

NOTE: Leon Bruschera left the meeting at this time.

3. That Pam Levesque, Executive Assistant, attended a campaign breakfast hosted by Mayor Feinstein to kick off the local campaign of Californians Against Proposition 36. Clare Murphy, Staff Actuary, reported to the Board the impact Proposition 36 would have, should it pass, on the Retirement System.

This item was put over to the Board's meeting of October 9, 1984 so the full Board may vote their position regarding Proposition 36.

There being no further business, the Board adjourned its meeting at 2:35 p.m.

Respectfully submitted,

Granville DeMerritt
General Manager

NOTE: Transcript of meeting contains reference to meeting items.
Court Reporter: Suzanne Miller, CSR.

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#3
10/9/84

MINUTES OF THE RETIREMENT BOARD

City and County of San Francisco
770 Golden Gate Avenue
San Francisco, CA 94102

October 9, 1984 10:00 a.m.

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PRESENT:	Meta K. Stanley	Vice President
	Peter D. Ashe	Commissioner
	Warren DeMerritt	Commissioner
	Paul F. Denning	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner
ABSENT:	Leon Bruschera	President
	Wendy Nelder	President, Board of Supervisors

MINUTES: Minutes of Regular Meeting - September 25, 1984

ACTION: Approved as Submitted

RETIREMENT BOARD

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST 7-84:

b) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:
John Christman $ 196.45

c) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:
Leon Bronson $6,500.00

d) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:
Raymond Koening $2,485.26

e) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:
Joel Harms $4,350.00

f) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Gus Jenkins $5,715.00

g) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Joe Phillips $4,000.00

h) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION - COMPROMISE AND RELEASE:
Robert Pardini $4,529.23

i) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION - COMPROMISE AND RELEASE:
Helen Ana $6,368.00

j) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION - COMPROMISE AND RELEASE:
Pio Cano $2,750.00

k) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Cecil Anderson

l) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Albert C. Wollenberg, Jr.

ACTION: It was moved by Denning, seconded by DeMerritt to approve the Consent Calendar; motion passed, 4-0 (Dr. Weisberg not present.)

REGULAR CALENDAR

ITEM

1. PROGRESS REPORT RE WORKERS COMPENSATION DIVISION:

Rudolph Hernandez, Manager Retirement Services and Brian Narlock, Compensation Claims Supervisor, presented a written and oral progress report to the Board on the Workers Compensation Division. Mr. Ken Savage of Warren, McVeigh, Griffin and Savage, also presented a written report. The Board reviewed and discussed the progress reports.

ACTION: No action taken; information item only.

NOTE: Dr. Weisberg arrived during discussion of the above item.

2. 1983-1984 ANNUAL REPORT - FINAL PRESENTATION FOR ADOPTION:

Pam Levesque, Executive Assistant to the General Manager and Rudolph Hernandez, Manager Retirement Services, presented the final draft of the 1983-1984 Annual Report. The Board reviewed and discussed the Annual Report. All changes recommended by the Board will be incorporated into the final draft being prepared for the printer.

ACTION: It was moved by Ashe, seconded by Denning, to adopt the 1983-1984 Annual Report; motion passed, 5-0.

NOTE: Dr. Weisberg commended staff in their preparation of the 1983-1984 Annual Report and Granville DeMerritt commended Pam Levesque for her coordination and preparation of the 1983-1984 Annual Report.

3. PROPOSED AMENDMENT BOARD RULE 17, FINAL ADOPTION:

Granville DeMerritt, General Manager and Dan Maguire, Legal Counsel, presented the Proposed Amendment to Board Rule 17, Hearing Officer for final adoption. The Proposed Amendment had been posted for the required time.

ACTION: It was moved by Ashe, seconded by Denning, to adopt the Proposed Amendment to Board Rule 17; motion passed, 5-0.

4. REPORT RE PROPOSITION 36 ON NOVEMBER 6, 1984, STATE BALLOT:

Granville DeMerritt, General Manager and Pam Levesque, Executive Assistant to the General Manager, presented an oral report on Proposition 36 on the November 6, 1984, State Ballot. This item was carried over from the September 25, 1984, Retirement Board meeting.

ACTION: It was moved by Denning, seconded by Ashe, to go on record as "opposed" to Proposition 36 on the November 1984, State Ballot; motion passed, 5-0.

5. HEARING OFFICER DECISIONS:

a) KURPINSKY, Robert J.
POLICE - Q2 Police Officer
INDUSTRIAL DISABILITY RETIREMENT
EFFECTIVE DATE: February 1, 1984 GRANTED

b) MARTINO, Jack D.S.
FIRE - H20 Lieutenant
INDUSTRIAL DISABILITY RETIREMENT
EFFECTIVE DATE: February 22, 1984 GRANTED

c) RYAN, Charles F.
FIRE - H40 Battery Chief
INDUSTRIAL DISABILITY RETIREMENT
EFFECTIVE DATE: April 14, 1983 GRANTED

d) RYAN, Paul W.
POLICE - 0380 Inspector
INDUSTRIAL DISABILITY RETIREMENT
EFFECTIVE DATE: July 11, 1983 GRANTED

e) WILMER, Lesley
MUNI - 9139 Transit Supervisor
ORDINARY DISABILITY RETIREMENT
EFFECTIVE DATE: March 1, 1983 GRANTED

ACTION: It was moved by Denning, seconded by DeMerritt, to accept the Hearing Officer Decisions; motion passed, 5-0.

GENERAL MANAGER'S REPORT

1. Update on campaign re November 6, 1984 charter amendments.

The General Manager and Pam Levesque reported that press releases on Proposition D, F and J were sent to all major newspapers, T.V., radio stations, as well as labor unions and employee organizations. Informative meetings on the propositions will be conducted in the next few weeks with the major newspapers and others. Board members will be notified of the media schedule so one or two may attend.

2. DeWitt Bowman, Chief Investment Officer, reported:

a) That transfer of the Master Trust Custodian from Crocker Bank to Bankers Trust is on schedule;

b) That the establishment of an Equity Index Fund with Great American Core Investors is also on schedule;

c) That he had prepared for the Board's information a list of assets that would be affected by passage of the South Africa Initiative (Proposition J) on the November 6, 1984, City-Wide Ballot.

NOTE: In conjunction with the South Africa Initiative discussion, Mr. Bowman was requested to furnish the Board members with a copy of the "Sullivan Principles."

3. The General Manager and the Board discussed the format of the next Quarterly Investment Meeting on October 30, 1984.

BOARD MEMBERS

1. Dr. Weisberg recommended that a recent article regarding soft dollar costs in the Wall Street Journal be sent to each Board Member.
2. Commissioner Ashe reminded the Board that he and Commissioner DeMerritt will be away at a convention for the November 13, 1984 meeting. Dr. Weisberg also projected he would be unable to attend. The General Manager will inform the Board of a new November meeting date at the October 30, 1984 meeting.

There being no further business, the Board adjourned its meeting at 12:10 p.m.

Respectfully submitted,

Granville DeMerritt
General Manager

NOTE: Transcript of meeting contains reference to meeting items.

Court Reporter: Suzanne Miller, CSR.

SF
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#3
10/30/84

MINUTES OF THE RETIREMENT BOARD

City and County of San Francisco
770 Golden Gate Avenue
San Francisco, CA 94102

DOCUMENTS DEPT.
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SAN FRANCISCO

October 30, 1984 9:00 a.m.

PRESENT:	Leon Bruschera	President
	Meta K. Stanley	Vice President
	Peter D. Ashe	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner
ABSENT:	Warren DeMerritt	Commissioner
	Paul F. Denning	Commissioner
	Wendy Nelder	President, Board of Supervisors

Pamela Levesque — Executive Assistant to the General Manager

MINUTES: Minutes of Regular Meeting - October 9, 1984

ACTION: Approved as Submitted

QUARTERLY INVESTMENT MEETING

INVESTMENT CALENDAR

ITEM

1. PERFORMANCE MEASUREMENT REPORT FOR QUARTER ENDING SEPTEMBER 30, 1984 - CALLAN ASSOCIATES:

   A representative of Callan Associates, Mr. Ron Peyton, presented a written and oral report to the Board on the measurement of the Retirement System's investment portfolio for the quarter ending September 30, 1984. Following completion of the oral report, Board members, Staff and Mr. Peyton exchanged comments on the contents of the reports. No action was taken by the Board on the reports.

2. PRESENTATION BY COLDWELL-BANKER COMPANY RE RETIREMENT SYSTEM COMMERCIAL REAL ESTATE HOLDINGS:

   Representatives from Coldwell-Banker, Jim Nugent, Reed Samuelson and Bill Hoff, presented a written and oral report to the Board on the Retirement System's commercial real estate holdings. Board members exchanged viewpoints on the current real estate holdings. No action was taken by the Board on this report.

3. PRESENTATION BY FIXED-INCOME FUND MANAGERS RE FIXED-INCOME INVESTMENTS FOR QUARTER ENDING SEPTEMBER 30, 1984:

   Representatives of the following firms, Investment Managers of the fixed income portion of the Retirement System's portfolio, rendered written and oral reports to the Board on the status of fixed income investments for the quarter ending September 30, 1984:

   a) MacKay-Shields Financial Corporation
   b) Lehman Asset Management, Inc.
   c) Scudder Stevens & Clark
   d) Bankers Trust Company

   Board members and representatives of the firms exchanged viewpoints and comments on portfolio performance and on matters concerning current and projected economic conditions. No action was taken by the Board on the reports.

4. REPORT RE ACTIVITIES AND PERFORMANCE OF EQUITY FUND MANAGERS FOR QUARTER ENDING SEPTEMBER 30, 1984:

   The following firms, Investment Managers of the equity portion of the Retirement System's portfolio, rendered written reports to the Board on the status of the equity investments for the quarter ending September 30, 1984:

   a) Eaton and Howard, Vance Sanders, Inc.
   b) Loomis, Sayles and Company
   c) Crocker Investment Management Corp.
   d) George B. Springman, Inc.

Diane Gale, Assistant Chief of Investments, rendered a written and oral summary report of External Equity Manager Transactions versus Style. In view of the fact the external equity managers did not make a formal presentation, Diane Gale summarized the activity of these managers and compared it to the style for which they were hired. No action was taken by the Board on these reports.

5. REPORT RE ACTIVITIES AND PERFORMANCE OF INTERNAL-MANAGED FUNDS FOR QUARTER ENDING SEPTEMBER 30, 1984:

DeWitt Bowman, Chief Investment Officer, and Diane Gale, Assistant Chief of Investments, rendered written and oral reports on the following areas of the internally managed funds for the quarter ending September 30, 1984:

a) Bond Transactions
b) Common Stock Transactions
c) Convertible Bond Transactions
d) California Residential Mortgage Transactions (BOSCO)

The Board engaged in a question and answer period with Mr. Bowman and Ms. Gale regarding the transactions for the quarter. No action was taken by the Board on the reports.

6. STAFF RECOMMENDATION RE ALLOCATION OF FUNDS FOR PERIOD ENDING JANUARY 31, 1985:

DeWitt Bowman and Diane Gale presented to the Board a recommended policy for the investment and allocation of funds for the period ending January 31, 1985 (see attached).

ACTION: It was moved by Weisberg, seconded by Stanley, to approve staff's recommendation on the allocation of funds for the period ending January 31, 1985; motion passed, 4-0.

7. STAFF REPORT RE STATUS OF CONTRACTS AND ASSET ALLOCATION STUDY:

DeWitt Bowman reported that the contracts for Bankers Trust and Great American Core were approved and signed. A status report on the Asset Allocation Study will be made to the Board at the November Board meeting.

ACTION: No action taken; information item only.

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM

a) VOLUNTARY SERVICE RETIREMENT, LIST NO. 8-84:

b) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:

Harry Bryant	$ 504.00

c) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:

Turhan Burton	$ 1,200.00

d) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

Sebastian Schiessl	$ 993.50

e) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

Standle Spicer $ 1,500.00

f) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

Daniel Williams $ 7,000.00

g) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION AND COMPROMISE AND RELEASE:

Robert Washington $ 1,028.00

h) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Eugenia Burfict

i) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Lanice Edwards

j) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Jeremy Ellison

ACTION: It was moved by Weisberg, seconded by Stanley, to approve the Consent Calendar; motion passed, 4-0.

REGULAR CALENDAR

ITEM

1. WORKERS' COMPENSATION REFORM PROJECT:

ACTION: No action taken; this matter was continued to the Board meeting of November 20, 1984.

2. HEARING OFFICER DECISIONS:

a) AHERN, John R.
FIRE - H30 Captain
INDUSTRIAL DISABILITY RETIREMENT — DENIED

b) CHAFFERS, Calvin B.
MUNI - 9163 Transit Operator
ORDINARY DISABILITY RETIREMENT
RETIREMENT DATE: August 1, 1984 — GRANTED

c) CROSS, Gene F.
POLICE - Q50 Sergeant
INDUSTRIAL DISABILITY RETIREMENT
RETIREMENT DATE: January 26, 1982 — GRANTED

d) DUVENECK, Sylvia (William
POLICE
CONTINUATION — GRANTED

e) GAW, George D.
CONTROLLER - 1864 Sr. System & Procedures Analyst
ORDINARY DISABILITY RETIREMENT
RETIREMENT DATE: August 25, 1984 — GRANTED

f) KLINGMAN, Odey R.
POLICE - 8214 Parking Control Officer
ORDINARY DISABILITY RETIREMENT — DENIED

g) MARKS, Herbert
POLICE - Q2 Police Officer
PERMISSION TO FILE APPLICATION FOR ORDINARY DISABILITY — DENIED

h) MOORE, William J., Jr.
FIRE - H40 Battalion Chief
INDUSTRIAL DISABILITY RETIREMENT
RETIREMENT DATE: October 25, 1984 — GRANTED

i) PAPPAS, Harry C., Sr.
WATER - 7355 Truck Driver
ORDINARY DISABILITY RETIREMENT
RETIREMENT DATE: August 1, 1984 — GRANTED

j) POPE, William P., Jr.
SOCIAL SERVICES - 2910 Social Worker
ORDINARY DISABILITY RETIREMENT
RETIREMENT DATE: September 1, 1984 — GRANTED

k) SPANO, Robert P.
REC & PARK - 7347 Plumber
REQUEST FOR REINSTATEMENT — GRANTED

l) SWEENEY, Roger F.
FIRE - H20 Fire
INDUSTRIAL DISABILITY RETIREMENT
RETIREMENT DATE: September 2, 1984 — GRANTED

ACTION: It was moved by Stanley, seconded by Weisberg, to accept the Hearing Officer Decisions with the exception of item "c". Legal Counsel will be requesting an appeal; motion passed, 4-0.

GENERAL MANAGER'S REPORT

Pamela Levesque, Executive Assistant to the General Manager reported to the Board:

1. That a full scale media campaign had been completed with respect to the Board's sponsored Charter Amendments in the November 6, 1984 General Election. Copies of releases and subsequent endorsements were distributed.

2. Clare Murphy, Staff Actuary, reported that construction had begun at 1155 Market Street and that the Retirement System could feasibly move the week-end prior to the Christmas holiday. Ms. Murphy suggested, however, that it may be more convenient to move after the New Year's weekend. A more in depth report on the move will be made to the Board at the November meeting.

3. That the questionnaire distributed to the Board regarding the November meeting date, had resulted in November 20, 1984, being preferred as a meeting date:

ACTION: It was moved by Weisberg, seconded by Stanley, to hold one Retirement Board meeting on November 20, 1984; motion passed, 4-0.

BOARD MEMBERS

Commissioner Ashe requested that the Board adjourn its meeting in memory of Warren DeMerritt, Sr., father of Commissioner Warren DeMerritt and General Manager, Granville DeMerritt.

There being no further business, the Board adjourned its meeting at 2:15 p.m., in memory of Warren DeMerritt, Sr.

Respectfully submitted,

Pamela Levesque

Pamela Levesque
Executive Assistant to
the General Manager

NOTE: Transcript of meeting contains reference to meeting items.

Court Reporter: Suzanne Miller, CSR.

Date October 22, 1984

San Francisco City and County Employees' and
Retirement System Recommended Asset Allocation
For the Quarter ending Jan. 31 , 1985

FUNDS ANALYSIS

INVESTMENT RESERVES AS OF October 1 , 1984	$298,439,274
Projected net cash additions to portfolio for the Quarter	19,500,000
Projected Equity dividend income for the Quarter	2,664,838
Projected Fixed Income interest income for the Quarter	36,995,054
Total funds available:	$357,599,166

RECOMMENDED CASH FLOW ASSET ALLOCATION FOR The Quarter Ending January 31 , 1985

Funds invested in common stock:	
Crocker Investment Management Corp.	2,074,791
Eaton and Howard, Vance Sanders Inc.	256,187
Loomis-Sayles and Co., Inc.	1,750,872
G.B. Springman Inc.	1,187,773
Index	1,701,998
Internal	-
Funds invested in equity real estate	-
Funds invested in Fixed Income	
Bankers Trust	1,188,426
Lehman Management	1,487,600
McKay Shields	2,574,154
Scudder Stevens Clark	1,307,131
Internal-Active	38,130,960
Funds Invested in California Residential Mortgages	7,500,000
	$ 59,159,892
Previously allocated	298,439,274
	$357,599,166

CASH FLOW AND ASSET ALLOCATION REPORT
For the quarter ending Dec. 31 , 1984

ASSET TYPE	Style	Investment Manager	1 Cash Equivalents Investment reserve as of Oct.1 ,1984 $	2 Portolio Market value as of Oct. 1 1984 $	3=1/2 Cash Investment reserve value as % of market value %	4 Expected Cash from Invested Asset $	5=2-/2H CURRENT MARKET VALUE of managerial style as a % of Asset Class %	6=2-/2Q CURRENT MARKET VALUE of managerial style as a % of Total Portfolio %	7 ASSET/PORTFOLIO TARGETS Individual Managerial Style as a % of Asset Class Market Value Current Quarter	8 1 yr.	9 % of Total Portfolio market value Current Quarter	10 1 yr.
EQUITY												
A	E-2/E-4	CIMCO	49,307,184	131,157,181	37.6	2,074,791	21.5	7.5				
B	E-1	EATON-HOWARD	2,110,638	85,500,869	2.5	256,187	14.0	4.9				
C	E-2/E-4	LOOMIS-SAYLES	10,718,301	124,497,749	8.6	1,750,872	20.3	7.1				
D	E-2/E-5	G.B.SPRINGMAN	19,145,280	91,744,020	20.7	1,187,773	15.0	5.2				
E	E-6	INDEX	54,081,150	85,000,000	63.6	1,701,998	13.9	4.9				
F		INTERNAL	N.M.	4,337,399	--	50,104	.7	.2				
G		COLDWELL BANKER		88,916,000	--	N.M.	14.6	5.1				
H		EQUITY SUBTOTAL	135,362,553	611,053,218	22.2	7,021,725	100.0%	34.9%				
FIXED INCOME												
I	B-3	BANKERS TRUST	7,622,063	41,907,722	18.2	1,188,426	3.7	2.4				
J	B-1	LEHMAN	2,578,578	55,115,902	4.7	1,487,600	4.8	3.1				
K	B-5	McKAY-SHIELDS	17,851,635	101,248,304	17.6	2,574,154	8.9	5.8				
L	B-2/B-4	SCUDDER	13,839,722	44,697,991	31.0	1,307,131	3.9	2.6				
M	B-3	INTERNAL-ACTIVE	113,264,576	830,442,969	13.6	23,906,406	72.9	47.5				
N	B-5	-Less liquid										
O	B-5	Cal.Resident.Mrtg.	7,920,147	65,643,762	12.1	2,174,450	5.8	3.8				
P	Fixed Income Subtotal		163,076,721	1,139,056,650	14.3	32,638,167	100.0%	65.1%				

SF
R55
#3
11/20/84

MINUTES OF THE RETIREMENT BOARD

City and County of San Francisco
770 Golden Gate Avenue
San Francisco, CA 94102

November 20, 1984 10:00 a.m.

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PRESENT:	Leon Bruschera	President
	Meta K. Stanley	Vice President
	Peter D. Ashe	Commissioner
	Warren DeMerritt	Commissioner
	Paul F. Denning	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner
ABSENT:	Wendy Nelder	President, Board of Supervisors
	Granville DeMerritt	General Manager Retirement System

MINUTES: Minutes of Regular Meeting - October 30, 1984

ACTION: Approved as Submitted

RETIREMENT BOARD

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM

a) VOLUNTARY SERVICE RETIREMENT LISTS, NUMBERS 9-84 AND 10-84:

b) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:
Vicentine M. Contrero $ 319.18

c) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:
Samual A. Moore $ 7,400.00

d) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:
Richard P. Wallett $ 2,234.85

e) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:
Alexander Chirkoff $15,000.00

f) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:
Dorothy Collins $ 500.00

g) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:
Gene Cross $ 1,000.00

h) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:
Andy J. Donohue $ 2,500.00

i) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:
William Hicks $ 2,978.50

j) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:
Milton Mon Gee Lee $ 5,750.00

k) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:
John Madrillagos $11,500.00

l) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:
Timothy M. Sullivan $ 3,000.00

m) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:
Frances J. Warren $30,000.00

n) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:
Julie A. Darbellay $ 5,322.50

o) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION & COMPROMISE & RELEASE:
Joan Englund-Guest $ 1,500.00

p) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:

Peter P. Velasquez $ 3,517.50

q) REQUEST TO WITHDRAW APPLICATION FOR INDUSTRIAL DISABILITY RETIREMENT:

Rigoberto Lanzarin

r) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Arthur D'Ettel

s) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Alfred Lent

t) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Margaret V. Thomas

ACTION: It was moved by Ashe, seconded by DeMerritt, to approve the Consent Calendar; motion passed, 6-0.

REGULAR CALENDAR

ITEM

1. REPORT AND RECOMMENDATION RE CREDITING PRIOR SERVICE:

Clare Murphy, Staff Actuary, presented a Resolution to the Retirement Board allowing employees to purchase prior service. (See Attached)

ACTION: It was moved by Ashe, seconded by Denning to adopt the Resolution crediting prior service; motion passed, 6-0.

2. STAFF REQUEST TO AMEND ADMINISTRATIVE CODE RE 401K PLAN:

Granville DeMerritt, General Manager, and Dan Maguire, Legal Counsel, presented an oral report requesting to draft an amendment to the Administrative Code in preparation for potential implementation and administration of a 401K Employee Benefit Plan.

ACTION: It was moved by Denning, seconded by Ashe, to approve staff's request to amend the Administrative Code; motion passed, 6-0.

3. ELECTION UPDATE - PROPOSITIONS D AND F:

Granville DeMerritt, General Manager, reported on the successful passage of Propositions D and F in the November 6, 1984 General Election. The Board reviewed with the staff the process for the implementation of these two Charter amendments.

ACTION: No action taken; information item only.

4. WORKERS' COMPENSATION REFORM PROJECT:

F. W. Johnson, Claims Supervisor, presented a written and oral report on the proposed Workers' Compensation Reform Project. The Board reviewed and discussed the proposal.

ACTION: It was moved by Denning, seconded by Weisberg, that the Retirement Board go on record in support of the Workers' Compensation Reform Project and recommends that a supplemental appropriation in the amount of 15,000 dollars be submitted for approval by the Board of Supervisors; the motion failed, 3-3 (Ashe, Bruschera, DeMerritt).

INVESTMENTS CALENDAR

ITEM

1. REPORT RE ASSET ALLOCATION STUDY:

   Ron Peyton and Bill Cotthe of Callan Associates presented a written and oral presentation to the Board on the Retirement System's asset allocation and the various different allocations the System could adopt. The Board reviewed and discussed the report.

   ACTION: No action at this time. DeWitt Bowman, Chief Investment Officer, will present a formal recommendation to the Board at the December meeting on future asset allocation for the System's Fund.

2. PROPOSITION J:

   DeWitt Bowman, Chief Investment Officer, and Granville DeMerritt, General Manager, reported on the passage of Proposition J in the November 6, 1984 Election. Staff discussed the implications of Proposition J and recommended a resolution be adopted with respect to investing in companies that do business in South Africa.

   ACTION: It was moved by Denning, seconded by DeMerritt, that in reference to Proposition J, the Retirement System's Money Managers be instructed to continue to invest Retirement System Funds in accordance with the Board's current Investment Policies; motion passed, 4-2 (Stanley, Weisberg).

NOTE: Commissioner Denning left the meeting at this time.

   ACTION: It was moved by Ashe, seconded by Stanley, to delete item number four (Section D.3.(a)) of the Strategic Plan of Investments in lieu of passage of Proposition D; motion passed, 5-0.

GENERAL MANAGER'S REPORT

1. The Board was advised of two upcoming meetings: Hartford Variable Life Insurance Company on December 11, 1984; and St. Francis Hospital on January 8, 1985.
2. The Board has also been invited to attend a Real Estate Seminar by Coldwell Banker on December 4, 1984.
3. The Board and Staff have been invited to attend the 4th Annual Public Employee Retirement Seminar presented by Coates, Herfurth & England, Inc. on Tuesday, December 4, 1984. DeWitt Bowman, Chief Investment Officer, and Dr. Frank Sortino, Director of the Pension Research Institute, will make a presentation at this Seminar.
4. The move to 1155 Market Street will occur on December 14, 15 and 16. We will be open for operation on Monday, December 17, 1984 at the new location.

CLOSED SESSION

At this time, the Board went into Executive Session to review and discuss a Superior Court Decision. (George Kartinos - 824-900)

The Board reconvened in open session and announced that action was taken on the following motion.

ACTION: It was moved by Ashe, seconded by DeMerritt, to adopt legal counsel's recommendation that the Kartinos decision not be appealed; motion passed, 4-1 (Bruschera).

There being no further business, the Board adjourned its meeting at 3:40 p.m.

Respectfully submitted,

Granville DeMerritt
General Manager

NOTE: Transcript of meeting contains reference to meeting items.

Court Reporter: Suzanne Miller, CSR.

SF
RSS
#3
12/11/84

MINUTES OF THE RETIREMENT BOARD

City and County of San Francisco
770 Golden Gate Avenue
San Francisco, CA 94102

December 11, 1984 10:00 a.m.

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PRESENT:	Leon Bruschera	President
	Meta K. Stanley	Vice President
	Peter D. Ashe	Commissioner
	Warren DeMerritt	Commissioner
	Paul F. Denning	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner

ABSENT: Wendy Nelder President, Board of Supervisors

Granville DeMerritt General Manager
Retirement System

MINUTES: Minutes of Regular Meeting - November 20, 1984

ACTION: Approved as Submitted

RETIREMENT BOARD
REGULAR MEETING
CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST 11-84:

b) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Evelyn Harris $ 7,500

c) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Maria Catalan $ 3,000

d) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Daniel Sheehan $ 3,000

e) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Roland Dreyer $ 1,000

f) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION
Allan Thompson $ 25,350

g) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Donald J. Birrer

h) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Alan S. Jones

i) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Thomas M. Mullen, Jr.

j) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Lewis Reed

k) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Martha S. Shiroma

l) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Barbara L. Stavro

m) REQUEST TO CORRECT DATE OF BIRTH:
Dorothy Jean Borders

n) REQUEST TO CORRECT DATE OF BIRTH:
Florentian J. Miranda

ACTION: It was moved by Denning, seconded by DeMerritt, to approve the Consent Calendar; motion passed, 5-0 (Weisberg absent).

REGULAR CALENDAR

NOTE: Dr. Weisberg arrived at the meeting at this time.

ITEM

1. ANNUAL REPORT DEFERRED COMPENSATION PLAN:

   Hartford Variable Annuity Life Insurance Companu

   Pat Kalasardo, a representative of Hartford Variable Annuity Life Insurance Company, presented a written and oral report on the year end performance of the Deferred Compensation Paln for the Employees' Retirement System. The Board engaged in a question and answer period with Mr. Kalasardo.

   ACTION: No action taken; information item only.

2. PROPOSED AMENDMENT TO ADMINISTRATIVE CODE, SECTION 16.6-29:

   Granville DeMerritt, General Manager, presented a written and oral report on a proposed amendment to the Administrative Code, Section 16.6-29. The Board reviewed the proposed amendment.

   ACTION: It was moved by Ashe, seconded by Denning, to approve the Amendment to the Administrative Code, Section 16.6-29, motion passed, 6-0.

3. HEARING OFFICER DECISIONS:

   a) FREDANN, Mario E.
      FIRE - H2 Firefighter
      INDUSTRIAL DISABILITY RETIREMENT
      EFFECTIVE DATE: OCTOBER 3, 1984 — GRANTED

   b) GONZALES, Michael
      POLICE - Q2 Police Officer
      DETERMINATION — DENIED

   c) KOCH, Georgette (widow Harry W)
      FIRE - H2 Firefighter
      CONTINUATION — GRANTED

   d) LANDI, Oresti
      MUNI RR - 9163 Transit Operator
      ORDINARY DISABILITY RETIREMENT
      EFFECTIVE DATE: NOVEMBER 1, 1982 — GRANTED

   e) LYONS, Michael P.
      SFUSD - Teacher
      ORDINARY DISABILITY RETIREMENT
      EFFECTIVE DATE: NOVEMBER 15, 1984 — GRANTED

   f) MITCHELL, D. Austin
      PH - SFGH - 2910 Social Worker
      ORDINARY DISABILITY RETIREMENT
      EFFECTIVE DATE: NOVEMBER 15, 1984 — GRANTED

g) RYAN, James A.
POLICE - Deputy Chief
INDUSTRIAL DISABILITY RETIREMENT
EFFECTIVE DATE: JANUARY 17, 1984 GRANTED

h) WYATT, Gordon R.
POLICE - Q2 Police Officer
INDUSTRIAL DISABILITY RETIREMENT DENIED

ACTION: It was moved by Stanley, seconded by Denning, to accept the Hearing Officer Decisions; motion passed, 6-0.

INVESTMENT CALENDAR

ITEM

1. ASSET ALLOCATION STUDY AND RECOMMENDATION:

DeWitt Bowman, Chief Investment Officer, presented a written and oral report on the Asset Allocation Study prepared by Callan Associates. DeWitt Bowman also presented a recommendation for the Board to discuss and review. The Board engaged in a question and answer period with staff.

ACTION: It was moved by Weisberg, seconded by Denning, to accept the report and adopt the recommendation that $100 million be allocated to External Bond Management and $50 million be allocated to Equity Management. The method of Equity Management is to be decided at the January 8, 1985 Board meeting; motion passed, 6-0.

2. PROPOSED AMENDMENTS TO STRATEGIC PLAN:

DeWitt Bowman presented a written and oral report on Proposed Amendments to the Strategic Plan. The Board reviewed and discussed the changes.

ACTION: It was moved by Stanley, seconded by DeMerritt to adopt the Proposed Amendments to the Strategic Plan; motion passed, 6-0.

SUPPLEMENTAL CALENDAR

ITEM

1. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

John J. Murphy $ 31,000

ACTION: It was moved by Stanley, seconded by Denning to approve the settlement; motion passed, 6-0.

2. HEARING OFFICER DECISION:

SHERRATT, John H.
FIRE - H50 Assistant Chief
INDUSTRIAL DISABILITY RETIREMENT
EFFECTIVE DATE: JANUARY 20, 1984 GRANTED

ACTION: It was moved by DeMerritt, seconded by Stanley to accept the Hearing Officer Decision; motion passed, 6-0.

3. SETTLEMENT OF DISPUTED CLAIM - SUBROGATION

Michael Brophy $125,000

ACTION: It was moved by Stanley, seconded by Denning to approve the settlement, motion passed, 6-0.

GENERAL MANAGER'S REPORT

The General Manager reported that:

1. The meeting dates in January and February were discussed and the schedule is as follows:

January 8, 1985 ---------REGULAR
January 22, 1985 ---------REGULAR
February 5, 1985 ---------INVESTMENTS
February 19, 1985 ---------ACTUARIAL 2:30PM
February 26, 1985 ---------REGULAR

2. That a detailed report would be forthcoming on the Mayor's MBO letter received by the Board November 27, 1984.

3. That the Annual Convention of the National Conference on Public Employee Retirement Systems is being held March 24-28, 1985 in Las Vegas, Nevada.

ACTION: It was moved by DeMerritt, seconded by Stanley that Board Members and selected staff be authorized to attend the NCPERS convention; motion passed, 6-0.

4. That two proponents of Proposition J (South Africa), Mr. Terence Faulkner and Mr. Arlo Hale Smith, Jr., have requested opportunity to make a presentation to the Board. The Board will allow Mr. Faulkner and Mr. Smith to make a twenty minute presentation at the next Board meeting, January 8, 1985.

5. That the General Manager was interviewed by KRON-TV on Proposition J. The General Manager will inform the Board when it is scheduled to be aired.

There being no further business, the Board adjourned its meeting at 12:15 p.m.

Respectfully submitted,

Granville DeMerritt
General Manager

NOTE: Transcripts of meeting contains reference to meeting items.

Court Reporter: Richard Walker, CSR

December 11, 1984

SF
R55
#3
1/8/85

MINUTES OF THE RETIREMENT BOARD

City and County of San Francisco
1155 Market Street, 2nd Floor
San Francisco, CA 94103

January 8, 1985 10:00 a.m.

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PRESENT:	Leon Bruschera	President
	Meta K. Stanley	Vice-President
	Peter D. Ashe	Commissioner
	Warren DeMerritt	Commissioner
	Paul F. Denning	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner
ABSENT:	Wendy Nelder	President, Board of Supervisors
	Granville DeMerritt	General Manager Retirement System

MINUTES: Minutes of Regular Meeting - December 11, 1984

ACTION: Approved with one correction on page three under the Supplemental Calendar, item 3, Settlement of Disputed Claim - Subrogation, Michael Brophy - $26,000.00

Retirement Board

Regular Meeting

SPECIAL ORDER OF BUSINESS

Item

1. PRESENTATION BY SUPPORTERS OF PROPOSITION J:

   Terrence Faulkner, Arlo Hale Smith, Jr. and Julianne Malveau made an oral presentation to the Board on Proposition J and requested the Board to divest pension funds that are invested in companies that do business in South Africa. Dale M. Butler of SEIU Local 250 also spoke in support of the request. The proponents also presented a variety of written material to the Board. A brief question and answer period ensued.

   ACTION: No action taken, information item only.

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

Item

a) VOLUNTARY SERVICE RETIREMENT LISTS 12-84 and 13-84:

b) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

   Oreste Landi $ 12,000.00

c) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

   Larry Resnick $ 350.00

d) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

   Fred A. Van Steen $ 8,250.00

e) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

   Patricia Cardona

f) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

   Erin P. Hayes

g) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

   Yvonne Hubert

   ACTION: It was moved by Ashe, seconded by Denning, to approve the Consent Calendar; motion passed, 6-0.

REGULAR CALENDAR

Item

1. CALLAN INVESTMENTS INSTITUTE: San Francisco - January 22-23, 1985:

   Granville DeMerritt, General Manager, informed the Board of the Callan Institute and the conflict that exists between attendance at the Institute and the scheduled January 22, 1985 Board meeting.

   ACTION: The second January Retirement Board meeting will now be held Tuesday, January 29, 1985.

2. HEARING OFFICER DECISIONS:

a) HORN, Odis
PUBLIC HEALTH - 2424 X-Ray Lab Aide
ORDINARY DISABILITY RETIREMENT
EFFECTIVE DATE: December 1, 1984 GRANTED

b) KEOSIAN, Vahran
FIRE - H-20 Lieutenant
INDUSTRIAL DISABILITY RETIREMENT
EFFECTIVE DATE: October 3, 1984 GRANTED

c) KING, Clemon, Jr.
SFUSD - 2708 Custodian
ORDINARY DISABILITY RETIREMENT
EFFECTIVE DATE: September 1, 1984 GRANTED

d) LEROUX, Albert A.
DPW - 7355 Truck Driver
ORDINARY DISABILITY RETIREMENT
EFFECTIVE DATE: October 6, 1984 GRANTED

e) McCAFFREY, Dennis L.
POLICE - Q-2 Police Officer
ORDINARY DISABILITY RETIREMENT
EFFECTIVE DATE: November 16, 1984 GRANTED

f) MILLS, Jack S.
DPW - 3418 Gardener Asst. Supv.
ORDINARY DISABILITY RETIREMENT
EFFECTIVE DATE: January 1, 1985 GRANTED

g) VALLOTTON, Thomas R.
PUC - Transmission Line Supervisor Hetch-Hetchy
ORDINARY DISABILITY RETIREMENT
EFFECTIVE DATE: November 28, 1984 GRANTED

h) WEISS, Jackqueline T. (Donald)
POLICE - Q-2 Police Officer
CONTINUATION GRANTED

i) ZIMAROWSKI, John
SOCIAL SERVICES - 2907 Social Worker
ORDINARY DISABILITY RETIREMENT
EFFECTIVE DATE: November 1, 1984 GRANTED

ACTION: Mr. Maguire informed the Board that he will request a rehearing of the decision on the Weiss case. It was moved by Weisberg, seconded by Denning, to accept the Hearing Officer Decisions, except the Weiss case; motion passed, 6-0.

INVESTMENT CALENDAR

Item

1. RECOMMENDATION RE MANAGEMENT OF ADDITIONAL FUNDS ALLOCATED TO EQUITIES:

   DeWitt Bowman, Chief Investment Officer, presented a written and oral report recommending internal management of additional funds allocated to equities. The Board reviewed and discussed the recommendation with Mr. Bowman and the General Manager. The Board will receive a comprehensive money manager performance evaluation following close of the quarter ending March 31, 1985.

   ACTION: It was moved by Weisberg, seconded by DeMerritt, to adopt staff's recommendation that additional equity funds in the amount of 50 million dollars be managed internally by Investment Division staff; motion passed, 4-2 (Bruschera and Denning).

GENERAL MANAGER'S REPORT

The General Manager reported that:

1. The Retirement System will hold an "Open House" on either January 30 or 31, 1985. Guided tours will be given and refreshments will be served; the Board is invited to participate. Invitations will be sent soon.
2. The General Manager distributed to the Board a list of Shareholder Proxy Votes on South African issues that the Board has voted on over the past several years. The list will also be sent to the proponents of Proposition J.
3. The General Manager also distributed a recent article on South Africa for the Boards' information.

BOARD MEMBERS

A discussion ensued regarding Proposition J, the Declaration of Policy regarding the divestiture of pension funds from companies that do business in South Africa.

There being no further business, the Board adjourned its meeting at 12:30 p.m.

Respectfully submitted,

Granville DeMerritt

Granville DeMerritt
General Manager

NOTE: Transcripts of meeting contains reference to meeting items.

Court Reporter: Suzanne Miller, CSR

SF
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A3
1/29/85

MINUTES OF THE RETIREMENT BOARD

City and County of San Francisco

1155 Market Street, 2nd Floor

San Francisco, CA 94103

January 29, 1985 10:00 AM

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PRESENT:	Leon Bruschera	President
	Meta K. Stanley	Vice-President
	Peter D. Ashe	Commissioner
	Warren DeMerritt	Commissioner
	Paul F. Denning	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner
ABSENT:	John L. Molinari	President, Board of Supervisors
	Granville DeMerritt	General Manager Retirement System

MINUTES: Minutes of Regular Meeting - January 8, 1985

ACTION: Approved as submitted.

Retirement Board

Regular Meeting

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

Item

a) VOLUNTARY SERVICE RETIREMENT LISTS 14-85 and 15-85:

b) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:
Booker Benjamin $ 1,675.87

c) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
James Boone $ 8,500.00

d) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:
Denise Brown $ 1,135.00

e) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Earl Ginnett $ 250.00

f) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:
Arthur L. Harris $ 1,150.00

g) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:
Stanley Harris $ 3,150.00

h) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:
LaVerne Hazard $ 1,225.00

i) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION - COMPROMISE AND RELEASE:
Robert J. Puts $ 17,340.00

j) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:
Lindsey B. Suslow $ 2,000.00

k) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:
Richard Thompson, Jr. $ 1,200.00

l) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Ana Statthpoulos

m) REQUEST TO WITHDRAW ORDINARY DISABILITY RETIREMENT APPLICATION:
Louis Baker

n) REQUEST TO WITHDRAW INDUSTRIAL DISABILITY RETIREMENT APPLICATION:

Daniel P. Gardner

o) REQUEST TO WITHDRAW APPLICATION FOR DETERMINATION:

Darol Smith

p) APPLICATION FOR CORRECTION OF BIRTHDATE:

Edna K. Tom

ACTION: It was moved by Stanley, seconded by DeMerritt, to approve the Consent Calendar; motion passed, 5-0.

Note: Commissioner Denning arrived at the meeting at this time.

REGULAR CALENDAR

Item

1. ADOPTION OF RETIREMENT SYSTEM BUDGET FOR FISCAL YEAR 1985-1986:

Rudy Hernandez, Retirement Services Manager; Clare Murphy, Staff Actuary and Pam Levesque, Executive Assistant to the General Manager presented the FY 1985-86 Retirement System budget for adoption by the Retirement Board. The staff also discussed the funding issues submitted to the Mayor January 18, 1985 for approval. The Board reviewed and discussed the funding issues and the budget guide.

ACTION: It was moved by Denning, seconded by Ashe to adopt the 1985-86 Retirement System budget; motion passed, 6-0.

2. RESPONSE TO THE MAYOR'S MBO LETTER:

Granville DeMerritt, General Manager and Rudy Hernandez, Retirement Services Manager presented a written and oral response to the Mayor's MBO letter that was sent to the Retirement Board in late November 1984. The Board reviewed the response prepared by Mr. Hernandez.

ACTION: No action taken, information item only.

3. INTERNATIONAL FOUNDATION OF EMPLOYEE BENEFIT PLANS SCHEDULE FOR 1985:

Granville DeMerritt presented the International Foundation schedule for seminars and training for 1985. The schedule was discussed and attendance at different seminars will be approved at a future Board meeting.

4. HEARING OFFICER DECISIONS:

a) ADAMS, Leslie F.
POLICE - Q2 Police Officer
INDUSTRIAL DISABILITY RETIREMENT — DENIED

b) BINI, Raymond
POLICE - Q2 - Police Officer
INDUSTRIAL DISABILITY RETIREMENT — DENIED

c) BLASI, Alvi R.
HARBOR POLICE (PERS) 9350
INDUSTRIAL DISABILITY RETIREMENT — DENIED

d) DENNIS, Edward J.
POLICE - 0380 Inspector
INDUSTRIAL DISABILITY RETIREMENT — DENIED

e) McGOVERN, James D.
FIRE - H30 Captain
INDUSTRIAL DISABILITY RETIREMENT
EFFECTIVE DATE: December 26, 1984 — GRANTED

f) MEEDS, Pamela A.
POLICE - Q2 Police Officer
INDUSTRIAL DISABILITY RETIREMENT — DENIED

g) PETTERSON, Lester M
FIRE - H120 Pilot of Fireboat
ORDINARY DISABILITY RETIREMENT
EFFECTIVE DATE: July 15, 1984 — GRANTED

h) PETTY, George J.
FIRE - H30 - Captain
INDUSTRIAL DISABILITY RETIREMENT
EFFECTIVE DATE: August 1, 1984 — GRANTED

i) RENEHAN, Richard W.
POLICE - Q2 Police Officer
INDUSTRIAL DISABILITY RETIREMENT — DENIED

j) WATSON, Walter C.
POLICE - Q50 Sergeant
INDUSTRIAL DISABILITY RETIREMENT — DENIED

ACTION: It was moved by Ashe, seconded by Denning to accept the Hearing Officer decisions; motion passed, 6-0.

INVESTMENTS CALENDAR

Item

1. PRESENTATION BY DR. FRANK SORTINO RE ASSET ALLOCATION MODEL:

   Dr. Frank Sortino of the Pension Research Institute presented a written and oral report on the research he has been conducting on the Asset Allocation Model. Dr. Sortino discussed the merits of the Investment Division utilizing the Model as a tool in aiding their investment decisions. The Board engaged in a question and answer period with Dr. Sortino.

   ACTION: No action taken; information item only.

2. PROXY VOTE RE EMERSON ELECTRIC COMPANY:

PROXY BALLOT

Shareholder Proposals:	FOR	AGAINST
Foreign military sales	3	3

3. PROXY VOTE RE ROCKWELL INTERNATIONAL, INC.

Shareholder Proposals:		
Fixed dollar ceiling on executive compensation	4	2
Green Mail	4	2
Applications of social, economic and ethical criteria	1	5

SUPPLEMENTAL CALENDAR

ITEM

1. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

   Edward Cragen III (Deceased) $ 10,001.00

   ACTION: It was moved by Ashe, seconded by Stanley to approve; motion passed, 6-0.

2. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

   Willaim J. Graham $ 25,880.00

   ACTION: It was moved by Ashe, seconded by Stanley to approve; motion passed, 5-1, (Weisberg).

3. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

   James W. Hicks $ 2,500.00

   ACTION: It was moved by Ashe, seconded by Denning to approve; motion passed, 6-0.

4. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

   Charles Rozeville $ 26,000.00

   ACTION: It was moved by Ashe, seconded by DeMerritt to approve; motion passed, 6-0.

5. REQUEST TO ATTEND CALIFORNIA SELF-INSURERS ASSOCIATION MEETING IN MONTEREY, CA ON MARCH 6,7,8 1985:

   ACTION: It was moved by DeMerritt, seconded by Stanley to approve two staff members to attend; motion passed, 6-0.

6. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

   Joseph E. Armstrong

   ACTION: It was moved Ashe, seconded by Stanley to approve; motion passed, 6-0.

7. SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:

   James Meredith $ 1,278.79

   ACTION: It was moved by Stanley, seconded by Ashe to approve; motion passed, 6-0.

8. SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:

   Rene Mendez $ 2,200.00

   ACTION: It was moved by Ashe, seconded by Denning to approve; motion passed, 6-0.

9. SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:

   James L. Lowery $ 1,332.00

   ACTION: It was moved by Stanley, seconded by Denning to approve; motion passed, 6-0.

GENERAL MANAGER'S REPORT

The General Manager reported that:

1. The Retirement System Open House is Wednesday, January 30, 1985, between 1:00 and 4:00 PM. All Board Members are invited to attend. Refreshments will be served.
2. That he had attended the Callan Associated Investment Institute which was extremely timely and informative.

(CONTINUED)

3. That he had furnished the Board with a Personnel Update. DeWitt Bowman and Diane Gale placed number one on their examinations for Chief and Assistant Chief of Investments. The process of certifying them permanent will begin within the week. There will also be an additional Assistant Chief of Investments hired. The announcement for the General Manager's position will be released during the month of February according to Civil Service.

4. That the Board was furnished with a memo from George Agnost, City Attorney regarding recent changes concerning the Brown Act on "Closed Sessions". The Board will be kept informed as to the impact in relation to their actions.

BOARD MEMBERS

President Leon Bruschera reported that he had spoken with Dennis Joiner, the consultant preparing the General Manager's examination and the job analysis had been completed.

There being no further business, the Board adjourned its meeting in memory of Ruth Anderson, deceased spouse of former Board Member Dean Anderson, at 2:30 PM.

Respectfully submitted,

Granville DeMerritt

Granville DeMerritt
General Manager

NOTE: Transcripts of meeting contains reference to meeting items.

Court Reporter: Richard Walker, CSR.

SF
R55
#3
2/5/85

MINUTES OF THE RETIREMENT BOARD

City and County of San Francisco

1155 Market Street, 2nd Floor

San Francisco, CA 94103

February 5, 1985 9:00 AM

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PRESENT:	Leon Bruschera	President
	Meta K. Stanley	Vice-President
	Peter D. Ashe	Commissioner
	Warren DeMerritt	Commissioner
	Paul F. Denning	Commissioner
ABSENT:	Raymond L. Weisberg, MD	Commissioner
	John L. Molinari	President, Board of Supervisors

Granville DeMerritt — General Manager
Retirement System

MINUTES: Minutes of Regular Meeting - January 29, 1985

ACTION: Approved As Submitted

RETIREMENT BOARD

Quarterly Investment Meeting

INVESTMENTS CALENDAR

Item

1. PERFORMANCE MEASUREMENT REPORT FOR QUARTER ENDING DECEMBER 31, 1984 - CALLAN ASSOCIATES:

   A representative of Callan Associates, Mr. Ed Callan, presented a written and oral report to the Board on the measurement of the Retirement Sustem's investment portfolio for the quarter ending December 31, 1984. Following completion of the oral report, Board members, staff and Mr. Callan exchanged comments on the contents of the reports. No action was taken by the Board on the reports.

2. PRESENTATION BY EQUITY FUND MANAGERS RE EQUITY INVESTMENTS FOR QUARTER ENDING DECEMBER 31, 1984:

   Representatives of the following firms, investment managers of the equity portion of the Retirement System's portfolio, rendered written and oral reports to the Board on the status of equity investments for the quarter ending December 31, 1984:

   a) Crocker Investment Management, Inc.

   b) Loomis Sayles and Company

   c) Eaton Vance Management, Inc.

   d) George B. Springman, Inc.

   Board members and representatives of the firms exchanged viewpoints and comments on portfolio performance and on matters concerning current and projected economic conditions. No action was taken by the Board on the reports.

3. REPORT RE ACTIVITIES AND PERFORMANCE OF FIXED INCOME MANAGERS FOR QUARTER ENDING DECEMBER 31, 1984:

   DeWitt Bowman, Chief Investment Officer, and Diane Gale, Assistant Chief of Investments, rendered a written and oral report on the performance of our external fixed income managers for the quarter ending December 31, 1984. Staff summarized the activities of these managers in relation to the styles for which they were hired. No action was taken by the Board on these reports.

REGULAR CALENDAR

ITEM

1. COATES HERFURTH & ENGLAND SEMINAR:

   Granville DeMerritt, General Manager, informed the Board of the re-scheduling of the Coates Herfurth & England seminar. It is now scheduled for March 5, 1985. DeWitt Bowman, Chief Investment Officer is one of the speakers. All Board members planning to attend should notify the Administrative Office.

   ACTION: No action taken, information item only.

2. HEARING OFFICER DECISIONS:

   a) COLLINS, Thomas C.
   FIRE - H110 FireBoat Engineer
   INDUSTRIAL DISABILITY RETIREMENT
   EFFECTIVE DATE: September 19, 1984 — GRANTED

   b) GROVE, Rita M.
   POLICE - 0380 Inspector
   ORDINARY DISABILITY RETIREMENT
   EFFECTIVE DATE: February 1, 1985 — GRANTED

   c) HAWKINS, Daniel
   MUNI RR - 9163 Transit Operator
   ORDINARY DISABILITY RETIREMENT — WITHDRAWN AT HEARING

   d) TYLER, Willie R.
   MUNI RR - 9163 Transit Operator
   ORDINARY DISABILITY RETIREMENT
   EFFECTIVE DATE: June 1, 1984 — GRANTED

   ACTION: It was moved by Denning, seconded by DeMerritt, to accept the Hearing Officer Decisions; motion passed, 4-0.

GENERAL MANAGER'S REPORT

The General Manager reported that:

1. He and DeWitt Bowman met with Supervisor John L. Molinari; to review and discuss the Retirement System's 1985-1986 budget; two requests for amendments to the Administrative Code; and issues relative to Proposition J on the November 1984 ballot.

2. That he had furnished the Board a copy of the Proxy Resolution approved by the Board August 7, 1984.

4. REPORT RE ACTIVITIES AND PERFORMANCE OF INTERNAL MANAGED FUNDS FOR QUARTER ENDING DECEMBER 31, 1984:

DeWitt Bowman, Chief Investment Officer, and Diane Gale, Assistant Chief of Investments, rendered written and oral reports on the following areas of the internally managed funds for the quarter ending December 31, 1984:

a) Fixed income active portfolio
b) Fixed income sinking fund portfolio
c) Private placement portfolio
d) California residential mortgages portfolio (Bosco Bill)
e) Equity index fund.

The Board engaged in a question and answer period with Mr. Bowman and Ms. Gale regarding the transactions and performance for the quarter. No action was taken by the Board on the reports.

5. STAFF RECOMMENDATION RE ALLOCATION OF FUNDS FOR PERIOD ENDING APRIL 30, 1985:

DeWitt Bowman presented to the Board a recommended policy for the investment and allocation of funds for the period ending April 30, 1985 (see attached).

ACTION: It was moved by Ashe, seconded by Stanley, to approve staff's recommendation on the allocation of funds for the period ending April 30, 1985; motion passed, 5-0.

Note: President Bruschera left the meeting at this time.

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM

a) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:
Judith Hardiman $ 5,685.00

b) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:
Orase McGhee $ 960.00

c) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:
David Randelston $ 2,691.33

d) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Thomas Walsh $ 14,000.00

ACTION: It was moved by DeMerritt, seconded by Ashe, to approve the Consent Calendar; motion passed, 4-0.

3. That the Open House that was held Wednesday, January 30, 1985, was a huge success; many active and retired members, City officials, and outside investment people attended.

4. Mr. DeMerritt reminded the Board that the next two Board meetings are:

February 19th - 2:30 p.m. - (Actuarial)
February 26th - 10:00 a.m. - (Regular)

There being no further business, the Board adjourned its meeting at 1:30 p. m

Respectfully submitted,

Granville DeMerritt
General Manager

NOTE: Transcripts of meeting contains reference to meeting items.

Court Reporter: Rebecca Luce, CSR.

Date February 1, 1985

San Francisco City and County Employees' and
Retirement System Recommended Asset Allocation
For the Quarter ending April 30, 1985

FUNDS ANALYSIS

INVESTMENT RESERVES AS OF DEC. 31 , 1985	$ 255,543,352
Projected net cash additions to portfolio for the Quarter	22,750,000
Projected Equity dividend income for the Quarter	5,996,708
Projected Fixed Income interest income for the Quarter	35,154,922
Total	319,444,982
Previously allocated through Jan. 31, 1985	249,363,027
Total available for allocation	70,081,955

RECOMMENDED CASH FLOW ASSET ALLOCATION FOR
The Quarter Ending April 30 , 1985

	% of Allocation	
Funds invested in common stock:		
Crocker Investment Management Corp.	3.0	2,114,956 *
Eaton Vance Inc.	.7	511,169 *
Loomis-Sayles and Co., Inc.	1.6	1,144,430 *
G.B. Springman Inc.	1.7	1,179,743 *
Index	1.4	996,725 *
Internal	1.3	924,685 *
Funds invested in equity real estate		-
Funds invested in Fixed Income		
Bankers Trust	3.0	2,094,894 *
Lehman Management	3.0	2,092,769 *
McKay Shields	4.2	2,939,947 *
Scudder Stevens Clark	4.1	2,841,833 *
Internal-Active	61.7	43,240,804
-less liquid		
Funds Invested in California Residential Mortgages	14.3	10,000,000
	100.0%	$ 70,081,955

* Allocation of estimated portfolio earnings to maintain portfolio percentage.

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2/19/85

MINUTES OF THE RETIREMENT BOARD
City and County of San Francisco
1155 Market Street
San Francisco, CA 94103
February 19, 1985 2:30 PM

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PRESENT:	Leon Bruschera	President
	Peter D. Ashe	Commissioner
	Warren DeMerritt	Commissioner
	Paul F. Denning	Commissioner
	Raymond L. Weisberg. M.D.	Commissioner
ABSENT:	Meta K. Stanley	Vice-President
	John L. Molinari	President, Board of Supervisors
	Granville DeMerritt	General Manager Retirement System

MINUTES: Minutes of Regular Meeting - February 5, 1985

ACTION: Approved As Submitted

RETIREMENT BOARD

Regular Meeting

CLOSED SESSION

The Retirement Board went into closed session to review the General Manager's examination announcement with John DeSoto, Assistant Division Manager, Personnel, Civil Service Commission and Dorothy Yee, also from Civil Service. The Board reconvened in open session and President Bruschera reported that Commissioners Ashe, Bruschera, Denning and Weisberg were present with John DeSoto and Dorothy Yee to discuss the General Manager's exam announcement, the job scope and the minimum qualifications. The Board agreed with the information Mr. DeSoto presented. The announcement will be released shortly.

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST 16-84:

b) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

Odey Klingman $4,877.50

c) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION AND COMPROMISE AND RELEASE:

Alvin Mattila $7,500.00

d) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

Terry Smerdel $5,500.00

e) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

Margaret Millson-Wu $1,000.00

ACTION: It was moved by Ashe, seconded by Denning, to approve the Consent Calendar; motion passed, 5-0.

REGULAR CALENDAR

ITEM

1. ACTUARIAL VALUATION REPORT AS OF JUNE 30, 1984:

   William Smith of Milliman and Robertson, Consulting Actuaries, and Clare Murphy, Staff Actuary, presented a written and oral report to the Board on the actuarial valuation study of the Retirement System as of June 30, 1984. Board Members, Mr. Smith and Ms. Murphy exchanged comments and viewpoints relative to the actuarial study, and engaged in a question and answer period.

   ACTION: No action taken on this item.

2. ADOPTION OF EMPLOYER RATES OF CONTRIBUTION; EFFECTIVE JULY 1, 1985:

   Mr. Smith and Ms. Murphy presented to the Board recommended City and County rates of contribution to the Retirement System for the fiscal year beginning July 1, 1985, per the findings set forth in the Actuarial Valuation Study presented under Item 1, above.

   ACTION: It was moved by Ashe, seconded by Denning, to adopt the Actuarial Valuation Study, including the economic and non-economic actuarial assumptions set forth therein, and to approve the recommended City and County rates of contribution for fiscal year 1985-86 as follows:

Uniformed Police	92.00%
Uniformed Fire	106.00%
Miscellaneous Employees	18.00%

   The motion passed, 5-0.

There being no further business, the Board adjourned its meeting at 4:25 P.M.

Respectfully submitted,

Granville DeMerritt
General Manager

NOTE: Transcripts of meeting contains reference to meeting items.

Court Reporter: Carolyn Wilson, CSR

SF
R55
#3
2/26/85

MINUTES OF THE RETIREMENT BOARD

City and County of San Francisco

1155 Market Street

San Francisco, California

February 26, 1985 10:00 AM

PRESENT:	Meta K. Stanley	Vice-President
	Peter D. Ashe	Commissioner
	Warren DeMerritt	Commissioner
	Paul F. Denning	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner
ABSENT:	Leon Bruschera	President
	John L. Molinari	President, Board of Supervisors

Granville DeMerritt — General Manager, Retirement System

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MINUTES: Minutes of Regular Meeting - February 19, 1985

ACTION: Approve As Submitted

RETIREMENT BOARD

Regular Meeting

SPECIAL ORDER

Seating of Commissioner Peter D. Ashe, Vice Himself.

Commissioner Peter D. Ashe was officially seated as a member of the Retirement Board, having been administered the Oath of Office by Judge George T. Choppelas. A copy of the Certificate of Appointment for Commissioner Ashe is officially on file in the Office of the General Manager of the Retirement System.

REGULAR CALENDAR

ITEM

1. REPORT AND RECOMMENDATION RE COST-OF-LIVING BENEFIT INCREASE FOR RETIREES, EFFECTIVE JULY 1, 1985:

   Clare Murphy, Staff Actuary presented a written and oral report to the Board on the cost-of-living benefit provision for retired employees as set forth in Charter Section 8.526. The Board and Ms. Murphy exchanged viewpoints on the report.

   ACTION: It was moved by Weisberg, seconded by DeMerritt, to approve the cost-of-living increase recommended by staff as follows:

   Adopt cost-of-living adjustment for those retired on or before July 1, 1985 equal to 2% of initial monthly allowance; motion passed, 4-0 (Commissioner Denning not present.)

   Note: Commissioner Denning arrived at the meeting at this time.

2. PROGRESS REPORT RE WORKERS' COMPENSATION DIVISION FOR PERIOD ENDING DECEMBER 31, 1984.

   Rudy Hernandez, Manager Retirement Services, presented a written and oral report to the Board on the progress of the Workers' Compensation Division for the period ending December 31, 1984. Mr. Hernandez also presented a progress report from consultant Ken Savage. The Board discussed the excellent progress reported in Mr. Savage's report and commended the staff for the progress made with the Workers' Compensation Division.

   As a second report, Mr. Hernandez reported on the creation of a "dedicated unit" to cover compensation claims for the Municipal RR. Mr. Hernandez reported that he had met with Rudy Nothenberg, General Manager of the Public Utilities and the outcome resulted in two new positions to be funded by PUC.

   ACTION: No action taken; information item only.

3. REPORT AND RECOMMENDATION RE SERVICE AGREEMENT BETWEEN RETIREMENT BOARD AND ST. FRANCIS MEMORIAL HOSPITAL:

Granville DeMerritt, General Manager; Dan Maguire, Legal Counsel and Rudy Hernandez presented an oral report and the recommended service agreement between the Retirement Board and St. Francis Memorial Hospital. The Board reviewed and discussed the agreement and recommended that staff obtain additional information on the staffing of qualified medical persons in the Hospital's emergency room service.

ACTION: No action taken; item continued to the next regular meeting.

4. HEARING OFFICER DECISIONS:

HART, Robert
SFUSD - 2716 Custodial Assistant Supervisor
ORDINARY DISABILITY RETIREMENT
Effective Date: January 1, 1985 — GRANTED

HUGO, Roger
POLICE - Q2 Police Officer
INDUSTRIAL DISABILITY RETIREMENT — DENIED

KEIL, Ronald R.
POLICE - Q50 Sgt.
INDUSTRIAL DISABILITY RETIREMENT — DENIED

LILLENTHUN, Garrett A.
PUBLIC WORKS - 7355 Truck Driver
ORDINARY DISABILITY RETIREMENT
Effective Date: June 19, 1984 — GRANTED

MOORE, Cora
POLICE
REHEARING ON THE ORIGINAL APPLICATION
FOR DISABILITY BENEFITS — GRANTED

SIMS, Rosie L.
PUBLIC HEALTH - SFGH 2303 Orderly
ORDINARY DISABILITY RETIREMENT
Effective Date: June 1, 1984 — GRANTED

SMITH, Melvin
MUNI RR - 9163 Transit Operator
ORDINARY DISABILITY RETIREMENT
Effective Date: September 1, 1984 — GRANTED

SULLIVAN, Michael J.
POLICE - Q2 Police Officer
INDUSTRIAL DISABILITY RETIREMENT — DENIED

ACTION: It was moved by Weisberg, seconded by Ashe, to accept the Hearing Officer decisions; motion passed, 5-0.

5. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Joan Kubota

ACTION: It was moved by Ashe, seconded by Denning, to approve the request to withdraw funds from the Deferred Compensation Plan; motion passed, 5-0.

INVESTMENTS CALENDAR

ITEM

1. REVIEW OF PERFORMANCE ANALYSIS PREPARED BY CALLAN ASSOCIATES FOR QUARTER ENDING DECEMBER 31, 1984:

DeWitt Bowman, Chief Investment Officer presented a written and oral report on the performance analysis prepared by Callan Associates for quarter ending December 31, 1984. The Board reviewed and discussed the report with Mr. Bowman.

ACTION: No action taken; information item only.

GENERAL MANAGER'S REPORT

The General Manager reported that:

1. He had furnished the Board with a memo regarding the Retirement Board meeting schedule in March. Due to an upcoming convention, it was agreed to hold one meeting, Tuesday, March 12, 1985.

2. Dan Maguire had furnished the Board with an appellate court decision upholding the Retirement Board in a disability pension case.

3. He requested the Board to authorize Rudy Hernandez to attend the annual Government Finance Officer Association (GFOA) convention May 26-29, 1985.

   ACTION: It was moved by Ashe, seconded by Denning, to authorize Rudy Hernandez to attend the GFOA convention; motion passed, 5-0.

4. He had furnished the Board with a copy of a proposed Charter Amendment drafted and submitted by Supervisor Nancy Walker. The Board discussed the proposed Charter Amendment.

There being no further business, the Board adjourned its meeting at 1:30 P.M.

Respectfully submitted,

Granville DeMerritt
General Manager

NOTE: Transcripts of meeting contains reference to meeting items.

Court Reporter: Suzanne Miller, CSR.

February 26, 1985

SF
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#3
3/12/85

MINUTES OF THE RETIREMENT BOARD
City and County of San Francisco

1155 Market Street
San Francisco, California

March 12, 1985 10:00 a.m.

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PRESENT:	Leon Bruschera	President
	Meta K. Stanley	Vice President
	Peter D. Ashe	Commissioner
	Warren DeMerritt	Commissioner
	Paul F. Denning	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner
	John L. Molinari	President, Board of Supervisors

Granville DeMerritt — General Manager
Retirement System

MINUTES: Minutes of the Regular Meeting - February 26, 1985

ACTION: Approved as Submitted

RETIREMENT BOARD

Regular Meeting

SPECIAL ORDER

Election of Officers: President and Vice President.

In accordance with Board Rule One, Section 1.03, the Board conducted the following election of officers for the ensuing term of office:

For President: It was moved by Stanley, seconded by Denning, that Raymond D. Weisberg, M.D., be nominated for President; there were no further nominations; Commissioner Weisberg was thereupon elected President for the ensuing term of office.

For Vice President: It was moved by Ashe, seconded by Denning, that Warren DeMerritt be nominated for Vice President; there were no further nominations; Commissioner DeMerritt was thereupon elected Vice President for the ensuing term of office.

NOTE: President of the Board of Supervisors, John L. Molinari, arrived at this time.

CONSENT CALENDAR

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST 17-84:

b) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION - COMPROMISE AND RELEASE:

Alex Borokoff $ 1,000.00

c) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

Joseph LaBouyer $ 2,300.00

d) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

George Marshall $ 9,000.00

e) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION - COMPROMISE AND RELEASE:

Jeffrey Roth $ 692.40

f) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION - COMPROMISE AND RELEASE:

Edward Santos, Jr. $ 951.71

g) STAFF REQUEST TO DISMISS APPLICATION FOR INDUSTRIAL DISABILITY RETIREMENT:

George Rosko

h) REQUEST FROM S.F. FIRE DEPARTMENT TO DESTROY RECORDS:

ACTION: It was moved by Bruschera, seconded by Stanley, to approve the Consent Calendar; motion passed, 7-0.

NOTE: In reference to item h), staff was instructed to notify the Fire Department to issue to the Retirement System a Notice of Destruction of Records six weeks in advance of said destruction of records.

INVESTMENTS CALENDAR

Item

1. PROPOSED RESOLUTION TO ESTABLISH POLICY RE INVESTMENTS IN COMPANIES DOING BUSINESS IN SOUTH AFRICA:

   Granville DeMerritt, General Manager, and DeWitt Bowman, Chief Investment Officer, presented a written and oral report to the Board on a proposed resolution establishing Board policy on divestment of securities of companies doing business in South Africa. The Board and staff exchanged viewpoints and comments on the proposed resolution. A series of amendments to the proposed resolution were made by individual Board Members and were ordered incorporated in the Resolution. In addition, the Board instructed staff to prepare an economic definition of the term, "doing business in South Africa." Legal Counsel was also instructed to advise the Board of the existence, if any, of a legal definition of said term.

   ACTION: It was moved by Molinari, seconded by Bruschera, to adopt the Resolution as amended and as herewith attached to these minutes; motion passed, 7-0.

NOTE: Supervisor John L. Molinari left the meeting at this time.

REGULAR CALENDAR

Item

1. REPORT AND RECOMMENDATION RE SERVICE AGREEMENT BETWEEN RETIREMENT BOARD AND ST. FRANCIS MEMORIAL HOSPITAL:

   This item was carried over from the February 26, 1985 Board meeting. Granville DeMerritt, General Manager, presented to the Board information obtained on the staffing of St. Francis Hospital Emergency Room. The Board reviewed and discussed the Service Agreement.

   ACTION: It was moved by Denning, seconded by Stanley, to adopt the Service Agreement between the Retirement Board and St. Francis Memorial Hospital; motion passed, 6-0.

2. REQUEST FROM GENERAL MANAGER TO ATTEND ANNUAL WASHINGTON LEGISLATIVE UPDATE CONFERENCE IN WASHINGTON, D.C., May 19-22, 1985:

   Granville DeMerritt requested the Board to authorize his attendance at the Annual Washington Legislative Update Conference in Washington, D.C., May 19-22, 1985:

   ACTION: It was moved by Bruschera, seconded by Stanley, to authorize Granville DeMerritt, General Manager, to attend the Washington Legislative Update Conference, May 19-22, 1985; motion passed, 6-0.

3. HEARING OFFICER DECISIONS:

KAHN, John D.
SFUSD - Teacher
ORDINARY DISABILITY RETIREMENT
Effective Date: February 15, 1985 GRANTED

McDOWELL, Jack D.
FIRE - H40 Battalion Chief
INDUSTRIAL DISABILITY RETIREMENT
Effective Date: May 2, 1984 GRANTED

OIKAWA-PICANTE, Teri
FINE ARTS COMMISSION - 3528 Museum Conservator
ORDINARY DISABILITY RETIREMENT
Effective Date: September 1, 1984 GRANTED

SIMONS, James K.
POLICE - Q2 Police Officer
REINSTATEMENT FROM INDUSTRIAL DISABILITY GRANTED

WHITE, William R.
FIRE - H2 Firefighter
INDUSTRIAL DISABILITY RETIREMENT
Effective Date: July 8, 1984 GRANTED

WOLDEN, Virginia
REINSTATEMENT OF SURVIVOR'S BENEFITS GRANTED

ACTION: It was moved by Bruschera, seconded by DeMerritt, to accept the Hearing Officer Decisions; motion passed, 6-0.

OFF CALENDAR ITEM

Dan Maguire, Legal Counsel, reported to the Board that there is a proposed settlement wherein Port employee Robert Keith is to receive $98,000 from the City's Jones Act carrier. Keith proposes that the City waive its lien against his recovery in the Jones Act case and in turn, he will submit a Compromise and Release in the pending WCAB case. Because of the short notice, the WCAB file was not available at this time. Subject to review of the WCAB file and verification of the above facts, the City Attorney is authorized to settle the WCAB case along the above lines. The above employee sustained a left eye injury while working as a pile driver foreman for the Port of San Francisco on October 25, 1978.

GENERAL MANAGER'S REPORT

The General Manager reported that:

1. He had furnished the Board with a copy of the medical panel used by the Franciscan Treatment Room staff to refer injured City employees for medical treatment.

2. The Civil Service and General Administration Committee of the Board of Supervisors had met and acted on one Administrative Code change the Retirement System had submitted.

The Administrative Code referring to membership in related organization was sent to the full Board and the full Board approved the changes on March 11, 1985.

The Amendment concerning 401K Plans was put over to the April meeting to allow time for more information concerning this issue to be discussed with the Budget Analyst.

There being no further business, the Board adjourned its meeting at 12:45 p.m.

Respectfully submitted,

Granville DeMerritt
General Manager

NOTE: Transcripts of meeting contains reference to meeting items.

Court Reporter: Richard Walker, CSR.

RESOLUTION

WHEREAS, the voters of San Francisco, on November 6, 1984, approved a Declaration of Policy (Proposition J) that no pension funds administered by the City be invested in business entities that do business in South Africa until apartheid is abolished and black people are given full political and civil rights in South Africa, and

WHEREAS, the Retirement Board supports and encourages responsible efforts being made to abolish apartheid in South Africa, and

WHEREAS, the Retirement Board is aware that a number of responsible public pension plans throughout the United States have initiated and are implementing plans to divest its funds of securities of companies that do business in South Africa, and

WHEREAS, these public pension plans have utilized or invoked the Sullivan Principles as the criteria or guidelines to accomplish divestiture of securities, said Sullivan Principles requiring companies doing business in South Africa to establish economic and social conditions which will provide full and equal employment opportunity, non-segregated working conditions, opportunity for training in and advancement to management, and promotion of sound community relations for all black people in South Africa, as well as to actively espouse the abolishment of apartheid, NOW,

THEREFORE, BE IT RESOLVED, that it shall be the policy of the Retirement Board that:

1. No monies held in trust by the Retirement System shall remain invested in or hereinafter be invested in securities or other obligations of any companies doing business or operating in South Africa and which shall be in accordance with the following terms or provisions:

    a) Within a period of twelve (12) months, the Retirement Fund shall be divested of any securities of companies doing business in South Africa who are not signatories of the Sullivan Principles or who, as signatories of the Sullivan Principles, are not in compliance with Categories I or II of the Sullivan Principles as set forth in the Directory of U.S. Corporations Operating in South Africa compiled by Investor Responsibility Research Center, Inc.

2. Notwithstanding the provisions set forth in 1. a) of this Resolution, if during a period of partial or full divestiture, the Retirement Board determines that completion of divestiture within the specified time limit would be inconsistent with the Board's fiduciary obligations, the Board may authorize an extension of time to complete the divestiture. The Board shall at least annually evaluate the divestiture plan and shall determine therefrom whether said plan shall be accelerated, decelerated or otherwise modified as conditions relative to abolishment of aparthied in South Africa warrant said determination. In addition, the Board shall, no later than October 31, 1985, amend this Resolution to provide guidelines for divestment of securities beyond the specified twelve (12) month period.

3. The process of divestiture and the limiting of new investments in securities of companies doing business in South Africa shall be conducted in such a manner consistent with fiscal prudence so as to minimize any substantial adverse impact on the Retirement Fund, it being the primary goal of the Fund to maximize investment performance with prudent amounts of risk. In compliance with this provision, no action shall be taken to divest unless or until the Board is advised of the effect of divestiture on the assets of the System and the legality of taking such action.

This Resolution was presented to and adopted by the Retirement Board at its Regular Meeting on March 12, 1985.

Raymond L. Weisberg, M.D.
President

Granville DeMerritt
General Manager

0212R:7-8

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4/9/85

MINUTES OF THE RETIREMENT BOARD

City and County of San Francisco

1155 Market Street

San Francisco, CA 94103

Tuesday, April 9, 1985 - 10:00 a.m.

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PRESENT:	Raymond L. Weisberg, M.D.	President
	Warren DeMerritt	Vice President
	Peter D. Ashe	Commissioner
	Leon Bruschera	Commissioner
	Paul F. Denning	Commissioner
ABSENT:	John L. Molinari,	President, Board of Supervisors
	Meta K. Stanley	Commissioner

Granville DeMerritt — General Manager
Retirement System

MINUTES: Minutes of the Regular Meeting - March 12, 1985

ACTION: Approved as Submitted

RETIREMENT BOARD

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM

a) VOLUNTARY SERVICE RETIREMENT LISTS 18-84; 19-84:

b) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Patricia Bykoff $ 20,000.00

c) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Mattie Chandler $ 500.00

d) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Dale E. Diamond $ 7,500.00

e) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Sabrina & Antonett Porter $ 7,500.00

f) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Robert Sheratt $ 6,510.00

g) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Lee Shelton Watson $ 18,000.00

h) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Perlena Wilson $ 1,000.00

i) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Barbara Wohl $ 3,500.00

j) CORRECTION OF SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:
Larry Resnick $ 500.00

k) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:
Willie Ivory $ 370.00

l) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:
Mark Madsen $ 1,724.81

m) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:
Orase McGhee $ 2,100.00

n) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Oscar Antonia de Altonaga

o) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Donald H. Kline

p) APPLICATION FOR BIRTHDATE CORRECTION:

Louette M. Colombano

q) REQUEST TO DESTROY PAYROLL RECORDS:

ACTION: It was moved by Bruschera, seconded by Ashe, to approve the Consent Calendar with the exception of item i) which was heard on the Regular Calendar due to a conflict of interest by President Weisberg; motion passed, 5-0.

INVESTMENTS CALENDAR

ITEM

1. PRESENTATION BY COLDWELL BANKER COMPANY RE: FUND VIII - A LIMITED PARTNERSHIP AGREEMENT:

Representatives from Coldwell Banker Company presented a written and oral report to the Board on Coldwell Banker Fund VIII - A Limited Partnership Agreement. Coldwell Banker requested the Retirement Board invest 30 million in the Fund VIII. The Board reviewed and discussed the proposal.

ACTION: No action taken; the Board deferred action pending adoption of a real estate asset allocation plan (see Item No. 3.)

2. REQUEST TO AMEND BOARD RESOLUTION RE SECURITIES TRANSACTIONS:

DeWitt Bowman, Chief Investment Officer, presented to the Board, as amended, a Resolution re Securities Transactions. The Board reviewed and discussed the Resolution.

ACTION: It was moved by Denning, seconded by Ashe, to adopt the amended Resolution re Securities Transactions which is herewith attached to these minutes; motion passed, 5-0.

3. REPORT AND RECOMMENDATION RE REAL ESTATE ASSET ALLOCATION:

DeWitt Bowman, Chief Investment Officer, presented a written and oral report and recommendation on a Real Estate Asset Allocation Plan. The Board engaged in a question and answer session with Mr. Bowman.

ACTION: No action taken; information item only at this time.

4. REQUEST FROM CHIEF INVESTMENT OFFICER TO ATTEND 18TH ANNUAL INVESTMENT MANAGEMENT WORKSHOP AT PRINCETON UNIVERSITY JULY 14-19, 1985.

ACTION: It was moved by Denning, seconded by Bruschera, to approve the request for the Chief Investment Officer DeWitt Bowman, to attend the 18th Annual Investment Management Workshop at Princeton University July 14-19, 1985; motion passed, 5-0.

5. PROXY VOTES ON 33 SHAREHOLDER PROPOSALS FROM VARIOUS COMPANIES:

The Board had for consideration a number of proxy votes which were voted by ballot, the results of which are herewith attached to these minutes.

REGULAR CALENDAR

ITEM

1. REQUEST FROM WORK IMPROVEMENT PROJECT TO ADDRESS BOARD RE PROPOSAL FOR ADVANCED PAYMENT OF RETIREMENT ALLOWANCES:

   Barbara Shraeger, Project Coordinator for the Work Improvement Project, and several union representatives and City department managers made oral presentations to the Board. The Board discussed the requests and the proposal for advanced payment of retirement benefits with the representatives and staff of the Retirement System. Staff will present a report and recommendation at the next regular meeting.

   ACTION: No action taken; over to next meeting.

2. COMMUNICATION FROM MUNICIPAL RAILWAY RE USE OF SEATBELTS:

   F. Walter Johnson reported that he had received a response from Carl Barton, Director of Safety Systems, Municipal Railway. The Board discussed the response and requested additional information be gathered from other systems regarding their seatbelt policy.

   ACTION: No action taken; over to a future meeting.

3. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

   Barbara Wohl $ 3,500.00

   ACTION: It was moved by Ashe, seconded by Denning, to approve the Settlement of Disputed Claim; the motion passed, 4-0 (Weisberg abstained).

4. HEARING OFFICER DECISIONS:

   a) AMOROSO, Mario
      POLICE - Deputy Chief of Police
      INDUSTRIAL DISABILITY RETIREMENT — DENIED

   b) CALLAS, William T.
      REC & PARK - 3410 Ass't Gardner
      ORDINARY DISABILITY RETIREMENT
      EFFECTIVE DATE: May 16, 1984 — GRANTED

   c) CONNELY, Clarence, Jr.
      POLICE - 0380/Q50 Inspector-Sergeant
      INDUSTRIAL DISABILITY RETIREMENT
      EFFECTIVE DATE: April 5, 1985 — GRANTED

   d) McCARTHY, Maurice F.
      FIRE - H20 Lieutenant
      INDUSTRIAL DISABILITY RETIREMENT
      EFFECTIVE DATE: July 5, 1984 — GRANTED

   e) MORIARTY, DANIEL J.
      POLICE - Q60 Lieutenant
      INDUSTRIAL DISABILITY RETIREMENT — DENIED

   f) NEAL, John Jr.
      MUNI RR - 9163 Transit Operator
      ORDINARY DISABILITY RETIREMENT
      EFFECTIVE DATE: July 21, 1983 — GRANTED

g) RAVELLA, Albino A.
REC & PARK - 3417 Gardner
ORDINARY DISABILITY RETIREMENT
EFFECTIVE DATE: November 1, 1984 GRANTED

h) REID, Donnell
MUNI RR - 9163 Transit Operator
ORDINARY DISABILITY RETIREMENT DENIED

i) SCANNELL, Patrick D.
MUNI RR - 9163 Transit Operator
ORDINARY DISABILITY RETIREMENT
EFFECTIVE DATE: December 1, 1984 GRANTED

j) SINGLETON, Robert E.
SFUSD - 2708 Custodian
ORDINARY DISABILITY RETIREMENT
EFFECTIVE DATE: November 1, 1983 GRANTED

ACTION: It was moved by Ashe, seconded by Denning, to accept the Hearing Officer Decisions; motion passed, 5-0.

GENERAL MANAGER'S REPORT

1. Report re action taken by Civil Service and General Administration Committee and the Board of Supervisors re implementation of Proposition J.

The General Manager reported on actions taken by the Civil Service and General Administration Committee and by the Board of Supervisors on three resolutions regarding the implementation of Proposition J, the Declaration of Policy prohibiting investments in companies doing business in South Africa; the Board of Supervisors had adopted all three resolutions by a vote of 10-0. The Board reviewed and discussed the resolutions with staff.

2. That DeWitt Bowman had prepared a memo detailing a definition of "doing business in South Africa." The Board requested staff put the definition in the form of a Resolution for the Board to take action on at its next regular meeting.

There being no further business, the Board adjourned its meeting at 4:03 p.m.

Respectfully submitted,

Granville DeMerritt
General Manager

NOTE: Transcripts of meeting contains reference to meeting items.
Court Reporter: Suzanne Miller

SF
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#3
4/30/85

MINUTES OF THE RETIREMENT BOARD

City and County of San Francisco
1155 Market Street
San Francisco, CA 94103

Tuesday, April 30, 1985 9:00 a.m.

PRESENT:	Raymond L. Weisberg, M.D.	President
	Warren DeMerritt	Vice President
	Peter D. Ashe	Commissioner
	Leon Bruschera	Commissioner
	Paul F. Denning	Commissioner
	Meta K. Stanley	Commissioner
	John L. Molinari	President, Board of Supervisors

Granville DeMerritt — General Manager
Retirement System

MINUTES: Minutes of Regular Meeting - April 9, 1985

ACTION: Approved as Submitted

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RETIREMENT BOARD

QUARTERLY INVESTMENT MEETING

INVESTMENTS CALENDAR

ITEM

1. STAFF REPORT ON PERFORMANCE OF EXTERNAL MANAGERS FOR QUARTER ENDING MARCH 31, 1985:

   DeWitt Bowman, Chief Investment Officer, and Diane Gale, Assistant Chief of Investments, reported to the Board on the Performance of the External Managers for the quarter ending March 31, 1985. The Board engaged in a question and answer period with the staff.

   ACTION: No action taken; information item only.

2. PRESENTATION BY EXTERNAL FIXED INCOME MANAGERS RE FIXED INCOME INVESTMENTS FOR THE QUARTER AND SIX MONTHS ENDING MARCH 31, 1985:

   Representatives of the following firms, investment managers of the fixed income portion of the Retirement System's portfolio, rendered written and oral reports to the Board on the status of the fixed income investments for the quarter ending March 31, 1985:

   a) MacKay Shields Financial
   b) Lehman Asset Management
   c) Bankers Trust Company
   d) Scudder, Stevens & Clark, Inc.

   Board members and representatives of the firms exchanged viewpoints and comments on portfolio performance and on matters concerning current and projected economic conditions. Each of the firm's representatives also discussed the potential impact on portfolio performance should the Retirement System move to completely divest itself from companies that do business in South Africa.

NOTE: Supervisor John L. Molinari arrived during presentation of this item.

3. PROPOSED REVISED RESOLUTION RE SOUTH AFRICA INVESTMENT RESTRICTIONS:

   President Weisberg explained to the Board the purpose and intent of the Resolution; President Weisberg, with Board concurrence, substituted the word "may" for "shall" in the last line of paragraph 1.c) of the Resolution. The Board, the General Manager and the Chief Investment Officer then engaged in a series of questions and answers and exchanged viewpoints on the various provisions of the Resolution.

   ACTION: It was moved by Molinari, seconded by Stanley, to adopt the Resolution;

ACTION: It was moved by Bruschera, seconded by Ashe, to amend the motion to provide that the "Sullivan Principles", as set forth in the Board's Resolution of March 12, 1985, be incorporated in the proposed revised Board Resolution; motion to amend failed, 3-4 (Denning, Molinari, Stanley and Weisberg.)

Main motion to adopt Resolution, herewith attached to these minutes, was thereon passed, 5-2 (Ashe, Bruschera.)

Commissioner Bruschera requested that the City Attorney issue a written opinion on the interpretation of Board Rule 16 - Section 16.01 Board Action on Legislation as it relates to voting on Board resolutions.

NOTE: Supervisor Molinari left at this point in the meeting.

4. REPORT RE ACTIVITIES AND PERFORMANCE OF INTERNAL MANAGED FUNDS FOR QUARTER ENDING MARCH 31, 1985:

Diane Gale, Assistant Chief of Investments, rendered a written and oral report on the following areas of the internally managed fund for the quarter ending March 31, 1985.

a) Equity Index Fund
b) Active Equity Fund
c) Fixed Income Fund
d) Fixed Income Sinking Fund Portfolio
e) Private Placement Portfolio
f) California Residential Mortgages Portfolio (BOSCO Bill)

The Board engaged in a question and answer session with Diane Gale and with DeWitt Bowman, Chief Investment Officer, regarding the transactions and performance for the quarter. No action was taken by the Board on the reports.

5. REPORT RE PERFORMANCE OF EQUITY INDEX FUND FOR QUARTER ENDING MARCH 31, 1985:

DeWitt Bowman, Chief Investment Officer, rendered a written and oral report on the performance of the Equity Index Fund for the Quarter ending March 31, 1985. The Board discussed with staff the Board's Resolution on divestment as it impacts on the Equity Managers and the Index Fund.

ACTION: It was moved by Denning, seconded by Stanley, that all Equity Managers testify at the next quarterly investment meeting on their experience and compliance with the South Africa Divestment Resolution; the motion passed, 6-0.

6. STAFF RECOMMENDATION RE ALLOCATION OF FUNDS FOR PERIOD ENDING JULY 31, 1985:

DeWitt Bowman presented to the Board a recommended policy for the investment and allocation of funds for the period ending July 31, 1985 (see attached.)

ACTION: It was moved by Denning, seconded by Stanley, to approve staff's recommendation on the allocation of funds for the period ending July 31, 1985; motion passed, 6-0.

7. REPORT RE INCOME FROM SECURITIES LENDING:

DeWitt Bowman, Chief Investment Officer, reported on the income from the Securities Lending Program. He stated the Program is working well. No action was taken by the Board on this report.

8. REPORT RE CAL HOME MEMBER HOME LOAN AND HOMEOWNERSHIP ASSISTANCE PROGRAM:

Cheryl Finley, a representative from CAL HOME, presented a written and oral report to the Board. The Board exchanged viewpoints and comments with staff and Ms. Finley. No action was taken by the Board on this report.

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST #20-84:

b) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Julie Harris $ 2,000.00

c) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Mary McCue $ 6,500.00

d) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION - COMPROMISE AND RELEASE:
Paul Wetzel $ 13,013.97

e) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:
William Malone $ 1,587.62

f) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:
Rickey Ivy $ 3,000.00

g) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:
Gary Pierce $ 5,000.00

h) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Leland S. Batara

i) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
William R. Kettle, Jr.

j) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Judith Williams

k) REQUEST TO WITHDRAW APPLICATION FOR INDUSTRIAL DISABILITY RETIREMENT:
Anna Aleta Adams

1) REQUEST TO WITHDRAW APPLICATION FOR INDUSTRIAL DISABILITY RETIREMENT:

Maurice P. Murray

ACTION: It was moved by Denning, seconded by Stanley, to approve the Consent Calendar; motion passed, 6-0.

REGULAR CALENDAR

ITEM

1. REQUEST TO REVISE CONTRACT FOR DEFERRED COMPENSATION PROGRAM - THE HARTFORD INSURANCE COMPANY:

A representative from Hartford Insurance Company, Dan Mattrocce, presented the request to revise the contract for the Deferred Compensation Program. The Board discussed the changes with staff and Mr. Mattrocce.

ACTION: It was moved by Ashe, seconded by Denning, to approve the revisions of the contract for the Deferred Compensation Program; motion passed, 6-0.

2. HEARING OFFICER DECISIONS:

a) BEGLEY, Edward J.
FIRE - H20 Lieutenant
INDUSTRIAL DISABILITY RETIREMENT — DENIED

b) FARBER, Jeffrey
FIRE - H2 Firefighter
INDUSTRIAL DISABILITY RETIREMENT — DENIED

c) KENNY, Owen A.
POLICE - Q50 Sergeant
INDUSTRIAL DISABILITY RETIREMENT — DENIED

d) KIRCHER, Robert L.
FIRE - H10 Chief's Operator
INDUSTRIAL DISABILITY RETIREMENT — DENIED

e) SCANLON, Betty A.
MUNI RR - 1404 Clerk
ORDINARY DISABILITY RETIREMENT
EFFECTIVE DATE: October 20, 1984 — GRANTED

ACTION: It was moved by Denning, seconded by DeMerritt, to accept the Hearing Officer Decisions; motion passed, 6-0.

3. ADJUSTMENT OF RETIREMENT ALLOWANCE:

William J. Moore, Jr.

ACTION: By a ballot vote of 6-0, the Board approved the adjustment of William J. Moore's retirement allowance from 50% to 75% effective October 24, 1984.

4. RESOLUTION COMMENDING COMMISSIONER META K. STANLEY:

Dr. Weisberg introduced a Resolution commending Commissioner Meta K. Stanley on her announced retirement from the Retirement Board.

ACTION: By unanimous acclaimation, the Board adopted the Resolution herewith attached, commending Commissioner Meta K. Stanley on her pending retirement from the Retirement Board.

GENERAL MANAGER'S REPORT

The General Manager reported that:

1. He and staff had met with the Mayor regarding the Retirement System budget. He will bring a detailed breakdown of what transpired at the budget hearing at the next Board meeting.

2. He and staff had met with members of the Work Improvement Project (WIP) Committee and will be meeting again in order to bring a preliminary report to the Board on payment of retirement allowances within a specified period of time.

There being no further business, the Board adjourned its meeting at 3:00 p.m.

Respectfully submitted,

Granville DeMerritt

Granville DeMerritt
General Manager

NOTE: Transcripts of meeting contains reference to meeting items.
Court Reporter: Suzanne Miller

RESOLUTION

WHEREAS, the voters of San Francisco, on November 6, 1984, approved a Declaration of Policy (Proposition J) that no pension funds administered by the City be invested in business entitites that do business in South Africa until apartheid is abolished and black people are given full political and civil rights in South Africa, and

WHEREAS, the Mayor and Board of Supervisors of San Francisco have urged the Retirement Board to expedite implementation of Proposition J as investment policy, without reference to th Sullivan Principles, and

WHEREAS, The Retirement Board is aware that many responsible public pension plans throughout the United States have initiataed and are implementing plans to divest its funds of securities of companies that do business in South Africa, and

WHEREAS, The Retirement Board, taking into consideration its fiduciary responsibility to administer fund assets for the sole benefit of Plan participants, concludes that continuation of South Africa related investments, based on current conditions in South Africa and the likelihood of further divestment action of other jurisdictions, would not now be prudent, NOW

THEREFORE BE IT RESOLVED, that it shall be the policy of the Retirement Board that:

1. No monies held in trust by the Retirement System shall remain invested in or hereinafter be invested in securities or other obligations of any companies doing business or operating in South Africa and which shall be in accordance with the following provisions:

   a) Current investments in securities of companies doing business in South Africa held in trust by the Retirement System shall be sold with all deliberate speed over a period not to exceed two years in a manner consistent with fiscal prudence and so as to minimize financial market disturbance.

   b) The term "doing business in South Africa" shall mean: Ownership of 10% or more of an enterprise which uses facilities and employs workers in South Africa for the purpose of conducting commercial transactions, or who currently loans money to the South African public sector, except where the sole involvement is through licensing arrangements, local distributors, professional partnerships, or news

bureaus, as reported and periodically up-dated in the "Directory of Foreign Investment in South Africa" published by the Investment Responsibility Research Center.

Companies which do not appear on the IRRC list but which are identified as doing business in South Africa shall be subject to this policy.

c) If at any time, the facts should change so that adherence to this policy would conflict with the Retirement Board's fiduciary obligations under Section 9 of Article I of the California Constitution or Section 10 of Article I of the United States Constitution, or would conflict with any standard for prudent investment of the fund as may be set forth in the California Constitution or City Charter, this policy may be modified accordingly.

d) At each Quarterly Investment Meeting, the Board shall evaluate the progress and impact of the aforementioned policy.

This resolution was presented to and adopted by the Retirement Board at its Regular Meeting on April 30, 1985.

Raymond L. Weisberg, M.D.
President

Granville DeMerritt
General Manager

0221R

Date April 30, 1985

San Francisco City and County Employees' and
Retirement System Recommended Asset Allocation
For the Quarter ending July 31, 1985

FUNDS ANALYSIS

INVESTMENT RESERVES AS OF March 31, 1985		$ 170,316,939
Projected net cash additions to portfolio for the Quarter		18,000,000
Projected Equity dividend income for the Quarter		6,588,966
Projected Fixed Income interest income for the Quarter		34,912,446
TOTAL		$ 229,818,351
Previously allocated through April 30, 1985		166,283,885
Total available for allocation		$ 63,534,466

RECOMMENDED CASH FLOW ASSET ALLOCATION FOR
The Quarter Ending July 31, 1985

	Percent	
Funds invested in common stock:		
Crocker Investment Management Corp.	1.9	1,195,240 *
Eaton and Howard, Vance Sanders Inc.	.5	327,435 *
Loomis-Sayles and Co., Inc.	1.9	1,193,415 *
G.B. Springman Inc.	1.6	1,024,341 *
Index	1.5	938,894 *
Internal	1.5	942,695 *
Funds invested in equity real estate	31.5	20,000,000
Funds invested in Fixed Income		
Bankers Trust	2.1	1,324,034 *
Lehman Management	3.4	2,138,074 *
McKay Shields	4.5	2,874,915 *
Scudder Stevens Clark	4.4	2,788,639 *
Internal-Active	21.6	13,786,784 *
-less liquid		
Funds Invested in California Residential Mortgages	23.6	15,000,000
	100%	$ 63,534,466

* Allocation of estimated portfolio earnings to maintain portfolio percentage

RESOLUTION

WHEREAS, Meta K. Stanley has announced that she intends shortly to resign from the Retirement Board in order to take up residence in the State of Oregon, and

WHEREAS, Meta K. Stanley was first appointed in 1973 to the Retirement Board by then Mayor Joseph L. Alioto and was subsequently reappointed to the Retirement Board in 1974 by Mayor Alioto, and

WHEREAS, Meta K. Stanley, in recognition of her outstanding and dedicated service to the City and County of San Francisco, was reappointed to the Retirement Board in 1979 and again in 1984 by Mayor Dianne Feinstein, and

WHEREAS, during Meta K. Stanley's long and distinguished career as a Member of the Retirement Board and as a Trustee of the Retirement Fund, the San Francisco City Employees' Retirement System has acquired a level of service that ranks the System as one of the finest public retirement systems in the State of California and which enjoys recognition as one of the top 100 pension funds in the United States, and

WHEREAS, Meta K. Stanley has earned and acquired, through devoted, loyal and faithful service, the utmost respect and admiration of her fellow Commissioners on the Retirement Board, the General Manager and entire staff of the Retirement System, and of many prominent elected officials and leaders of the business, labor and civic community, NOW

THEREFORE, BE IT RESOLVED, that the Retirement Board and the General Manager and staff of the Retirement System extend sincere congratulations to Meta K. Stanley on the occasion of her "retirement" from the Retirement Board and

BE IT FURTHER RESOLVED, in recognition of Meta K. Stanley's distinguished service and her outstanding contribution to the growth and success of the Retirement System, the Retirement Board and Staff extend their fond appreciation and sincere gratitude, and with all good wishes for a long, happy and richly deserved retirement.

This Resolution was presented to and adopted by the Retirement Board at its regular meeting of April 30, 1985.

Granville DeMerritt
General Manager

Raymond L. Weisberg, M.D.
President

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MINUTES OF THE RETIREMENT BOARD
City and County of San Francisco

1155 Market Street
San Francisco, CA 94103

Tuesday, May 14, 1985 - 10:00 a.m.

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PRESENT:	Raymond L. Weisberg, M.D.	President
	Warren DeMerritt	Vice President
	Peter D. Ashe	Commissioner
	Leon Bruschera	Commissioner
	Paul F. Denning	Commissioner
ABSENT:	John L. Molinari	President, Board of Supervisors
	Meta K. Stanley (resigned effective May 10, 1985)	Commissioner
	Granville DeMerritt	General Manager Retirement System

MINUTES: Minutes of Regular Meeting - April 30, 1985

ACTION: Approved as Submitted

R E T I R E M E N T B O A R D

Regular Meeting

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST No. 21-84:

b) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION AND COMPROMISE AND RELEASE:
Frank Deckard $ 500.00

c) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION AND COMPROMISE AND RELEASE:
Mary Pat Downing $2,151.66

d) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION AND COMPROMISE AND RELEASE:
Lee A. Jenkins $2,073.75

e) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION AND COMPROMISE AND RELEASE:
Nelvynne Mickels $ 900.00

f) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:
Brenda Brown $ 898.99

g) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Nancy L. Cassley

h) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Phil G. Scotto

ACTION: It was moved by Bruschera, seconded by DeMerritt, to adopt the Consent Calendar; motion passed, 4-0.

REGULAR CALENDAR

ITEM

1. REPORT RE USE OF SEATBELTS ON MUNI RAILWAY VEHICLES:

Mr. Carl Barton, Director, Systems Safety, Muni Railway, appeared before the Retirement Board to review and discuss with the Board the question of the use of seatbelts for operators of Muni Railway transport vehicles. In addition, Mr. Ray J. Antonio, Executive Vice President, Transport Workers Union, Local 250-A, appeared before the Retirement Board and discussed this issue with the Board. Both Mr. Barton and Mr. Antonio claimed that the use of seatbelts is counterproductive.

ACTION: No action taken; information item only.

2. REQUEST FOR APPROVAL OF FUNDS FOR OFFICE ALTERATIONS:

Staff presented a written and oral report to the Board on this subject.

ACTION: It was moved by Bruschera, seconded by Ashe, to approve the payment of $19,988.60 for the payment of office alterations in connection with the Retirement System move to 1155 Market Street; motion passed, 4-0.

3. REQUEST TO DESTROY RECORDS:

Staff presented a written and oral report to the Board on this subject.

ACTION: It was moved by Bruschera, seconded by DeMerritt, to approve the request from the Controller to destroy records; motion passed, 4-0.

4. CALLAN INVESTMENTS INSTITUTE - June 4, 1985:

The Board was advised by the General Manager that Callan Investments Institute will conduct an Investments Institute in San Francisco, on June 4, 1985 and that Board Members and staff are invited to attend the Institute.

ACTION: It was moved by Bruschera, seconded by Ashe, to authorize any Board members to attend and any staff member, as approved by the General Manager; motion passed, 4-0.

5. REQUEST TO ATTEND INSTITUTIONAL INVESTOR PUBLIC FUNDS SEMINAR - July 10-12, 1985:

The General Manager presented an oral and written report to the Board on the forthcoming Institutional Investor Public Funds Seminar in Monterey, California, July 10-12, 1985.

ACTION: It was moved by DeMerritt, seconded by Bruschera, that Commissioner Peter Ashe, General Manager Granville DeMerritt, and Chief Investment Officer DeWitt Bowman be authorized to attend the Institutional Investor Seminar, July 10-12, and that their expenses be paid; motion passed, 4-0.

6. HEARING OFFICER DECISIONS:

a) CONNELL, David E.
POLICE - Q60 Lieutenant
INDUSTRIAL DISABILITY RETIREMENT
EFFECTIVE DATE: October 6, 1982 GRANTED

b) GRAY, Clyde
DPH - 2305 Psychiatric Technician
ORDINARY DISABILITY RETIREMENT
EFFECTIVE DATE: February 3, 1984 GRANTED

ACTION: It was moved by Bruschera, seconded by DeMerritt, to accept the Hearing Officer Decisions; motion passed, 4-0.

SUPPLEMENTAL CALENDAR

ITEM

1. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

   Rosemary Velasquez-Fong $ 26,350.00

   ACTION: It was moved by Bruschera, seconded by Ashe, to approve the Settlement; motion passed, 4-0.

2. PERS RETIREMENT RESOLUTION:

   Richard M. Hayes:

   ACTION: It was moved by Bruschera, seconded by Ashe, to approve the Resolution; motion passed, 4-0.

3. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

   Vida B. Downing

   ACTION: It was moved by Ashe, seconded by Bruschera, to approve the Request; motion passed, 4-0.

GENERAL MANAGER'S REPORT

1. MAYOR'S ACTION RE RETIREMENT SYSTEM BUDGET FOR FISCAL 1985-86:

   The General Manager presented a written and oral report to the Board on the Mayor's fiscal action on the Retirement System budget for fiscal year 1985-86. The Board and staff exchanged comments and viewpoints with respect to the Mayor's action.

2. DECISION RE MITROFF & CITY AND COUNTY OF SAN FRANCISCO V. WESTINGHOUSE:

   The Board was furnished a copy of a memorandum to the General Manager from Dan Maguire, Legal Counsel, on the Superior Court decision regarding Mitroff and the City and County of San Francisco v. Westinghouse, specifically that the Retirement System recouped $316,600 in a jury verdict in this case. Mr. Maguire responded to several Board questions on this item.

   At this point in the meeting, Commissioner Ashe requested that the Retirement Board adjourn its meeting today in honor of the memory of John A. Ortelle, Manager of the City Employees' Credit Union, who passed away suddenly. Mr. Ortelle was commended by the Board for his outstanding service on behalf of City employees.

ITEM

7. PROGRESS REPORT RE PAYMENT OF RETIREMENT ALLOWANCES:

This was a carry-over item from a previous Board meeting concerning payment of estimated retirement allowances to retired employees. In attendance on behalf of this item were Barbara Schraeger, Project Director, Work Improvement Project, and Maura Keeley, Business Representative, Service Employees' International Union.

Clare Murphy, Staff Actuary, submitted a written report to the Board on alternative programs for the timely payment of first checks to retirees. In addition, Ms. Murphy conducted a visual aide presentation of the alternatives.

Ms. Keeley of SEIU spoke to the Board on this subject and indicated to the Board, on behalf of WIP and her union, that they will support alternative plan #2.

The Board, staff, and Ms. Keeley exchanged comments and viewpoints concerning the proposed alternatives.

NOTE: Commissioner Denning arrived during discussion of this item.

ACTION: No action taken at this time; to be brought back to the Board at its meeting of June 11th for consideration.

There being no further business, the Board adjourned at 12:10 p.m. in memory of John A. Ortelle.

Respectfully submitted,

Granville DeMerritt
General Manager

NOTE: Transcripts of meeting contains reference to meeting items.
Court Reporter: Rebecca Luce, C.S.R.

SF
R55
#3
5/28/85

MINUTES OF THE RETIREMENT BOARD
City and County of San Francisco

1155 Market Street
San Francisco, CA 94103

Tuesday, May 28, 1985 - 10:00 a.m.

PRESENT:	Raymond L. Weisberg, M.D.	President
	Warren DeMerritt	Vice President
	Peter D. Ashe	Commissioner
	Leon Bruschera	Commissioner
	Paul F. Denning	Commissioner
ABSENT:	John L. Molinari	President, Board of Supervisors
	Granville DeMerritt	General Manager Retirement System

MINUTES: Minutes of Regular Meeting - May 14, 1985

ACTION: Approved as submitted

RETIREMENT BOARD

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM

a) VOLUNTARY SERVICE RETIREMENT LISTS #22-84 & #23-84:

b) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION - COMPROMISE AND RELEASE:
Ralph C. Lacy $ 744.90

c) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Adolph Lubamerksy (dec'd) $ 1,000.00

d) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Richard Pult (dec'd) $50,000.00

e) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Fredie Lee Williams $ 6,000.00

f) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Willie Campers, Jr.

g) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Salvacion B. Haohao

h) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Joel Hurwitz

i) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Jerome Murray

ACTION: It was moved by Bruschera, seconded by DeMerritt, to adopt the Consent Calendar; motion passed, 4-0. (Denning not present)

REGULAR CALENDAR

ITEM

1. HEARING OFFICER DECISIONS:

a) BAKER, Luree Jr.
S.F.C.C.D. - 3536 Technical Instructional Ass't
ORDINARY DISABILITY RETIREMENT
EFFECTIVE DATE: March 1, 1982 GRANTED

b) HALL, Thomas J.
FIRE - H4 Fire Inspector
INDUSTRIAL DISABILITY RETIREMENT
EFFECTIVE DATE: July 23, 1983 GRANTED

c) KELLY, Lawrence E.
POLICE - 0380 Inspector
INDUSTRIAL DISABILITY RETIREMENT — DENIED

d) KOCHER, Joseph L.
FIRE - H30 Captain
INDUSTRIAL DISABILITY RETIREMENT
EFFECTIVE DATE: July 7, 1985 — GRANTED

e) MAGGIO, Ernest P.
POLICE - Q2 Police Officer
INDUSTRIAL DISABILITY RETIREMENT
EFFECTIVE DATE: October 17, 1984 — GRANTED

f) MURPHY, John T.
FIRE - H2 Firefighter
INDUSTRIAL DISABILITY RETIREMENT — DENIED

g) PHILPOT, Jack R.
WAR MEMORIAL - 7377 Stage Electrician
ORDINARY DISABILITY RETIREMENT
EFFECTIVE DATE: June 1, 1985 — GRANTED

h) REEVES, Stanley
PUC Water - 7254 Auto. Machinist Supv.
ORDINARY DISABILITY RETIREMENT
EFFECTIVE DATE: May 28, 1985 — GRANTED

i) SMYTH, Terrence
CONTROLLER'S - 1880 Chief of Systems
ORDINARY DISABILITY RETIREMENT
EFFECTIVE DATE: May 1, 1985 — GRANTED

ACTION: It was moved by Bruschera, seconded by DeMerritt, to accept the Hearing Officer Decisions; motion passed, 4-0. (Denning not presen

INVESTMENTS CALENDAR

ITEM

1. STAFF REPORT RE IMPLEMENTATION OF SOUTH AFRICAN INVESTMENT RESTRICTIONS:

DeWitt Bowman, Chief Investment Officer, presented a written and oral report to the Board on the implementation of South African investment restrictions. The Board engaged in a question and answer session with staff on the divestment proceedings.

ACTION: No action taken; information item only.

NOTE: Commissioner Denning arrived at the meeting at this time.

2. PROXY VOTES - APPROXIMATELY 70 SHAREHOLDER PROPOSALS FROM VARIOUS COMPANIES:

The Board had for consideration a number of proxy votes which were voted by ballot, the results of which are herewith attached.

EXECUTIVE SESSION

At this point, the Board went into an Executive Session to review and discuss the results of the examination for the position of General Manager. The Board then reconvened in Open Session.

INVESTMENTS CALENDAR (con't)

ITEM

3. STAFF REPORT RE RETIREMENT SYSTEM REAL ESTATE INVESTMENTS:

DeWitt Bowman, Chief Investment Officer and Carolyn Hamilton, Assistant Chief of Investments, rendered a written and oral report to the Board on investing in various kinds of real estate. The report also included reference to a presentation made by Coldwell Banker Capital Management Services at a prior Board meeting regarding a new Coldwell Banker Real Estate Fund, Fund VIII. The Board and staff reviewed and discussed the report in detail.

ACTION: It was moved by Ashe, seconded by DeMerritt, that the Board invest 10 million dollars in Coldwell Banker Real Estate Fund VIII; motion passed, 5-0.

There being no further business, the Board adjourned at 1:35 p.m.

Respectfully submitted,

Granville DeMerritt

Granville DeMerritt
General Manager

NOTE: Transcripts of meeting contains reference to meeting items.
Court Reporter: Richard Walker, C.S.R.

MINUTES OF THE RETIREMENT BOARD
City and County of San Francisco

1155 Market Street
San Francisco, CA 94103

Tuesday, June 11, 1985 - 10:00 a.m.

PRESENT:	Raymond L. Weisberg, M.D.	President
	Warren DeMerritt	Vice President
	Peter D. Ashe	Commissioner
	Leon Bruschera	Commissioner
ABSENT:	Paul F. Denning	Commissioner
	John L. Molinari	President, Board of Sueprvisors
	Granville DeMerritt	General Manager Retirement System

MINUTES: Minutes of Regular Meeting - May 28, 1985

ACTION: Approved as Submitted

RETIREMENT BOARD

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST No. 24-84:

b) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION - COMPROMISE AND RELEASE:
Pinkie Latchinson $ 1,623.25

c) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION - COMPROMISE AND RELEASE:
Alexander Rojas $ 4,000.00

d) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:
Geraldine Berkvam $ 643.13

e) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Mynor Dardon $ 450.00

f) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Charles Farrell $ 250.00

g) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Louis Ucciferro $ 1,100.00

h) REQUEST TO WITHDRAW APPLICATION FOR ORDINARY DISABILITY RETIREMENT:
Leon D. McInnis

i) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Joseph Ehrmann

j) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Sam Gray, Jr.

k) APPLICATION FOR BIRTHDATE CORRECTION:
Maria L. Frias

l) APPLICATION FOR BIRTHDATE CORRECTION:
William H. Chan (formerly Sui)

ACTION: It was moved by DeMerritt, seconded by Bruschera, to adopt the Consent Calendar; motion passed, 4-0.

INVESTMENTS CALENDAR

ITEM

1. PERFORMANCE MEASUREMENT REPORT FOR QUARTER ENDING MARCH 31, 1985 - CALLAN ASSOCIATES:

   A representative of Callan Associates, Mr. Ron Peyton, presented a written and oral report to the Board on the measurement of the Retirement System's investment portolio for the quarter ending March 31, 1985. Following the completion of the reports, Board Members, staff and Mr. Peyton, exchanged comments and viewpoints. No action was taken by the Board on the reports.

2. STAFF REPORT RE ACTIVITIES AND PERFORMANCE OF EQUITY FUND MANAGERS:

   DeWitt Bowman, Chief Investment Officer, and Diane Gale, Assistant Chief of Investments, rendered a written and oral report to the Board on the activities and performance of the Equity Fund Managers for the quarter ending March 31, 1985. Staff summarized the activities of the managers in relation to the styles for which they were hired. The Board engaged in a question and answer session with staff.

   ACTION: It was moved by DeMerritt, seconded by Bruschera, to approve staff's recommendation that the Board review equity manager styles and that staff furnish the Board at its next meeting criteria for selection of equity managers and a timetable for a search process; motion passed, 4-0.

3. INVESTMENT DIVISION BUDGET FOR FISCAL YEAR 1985-86:

   Rudolph Hernandez, Manager, Retirement Services, and DeWitt Bowman, presented the Investments Division Budget for Fiscal Year 1985-86. The Board reviewed and discussed the budget in detail with staff.

   ACTION: It was moved by Bruschera, seconded by DeMerritt, to approve the Investment Division Budget for Fiscal Year 1985-86; motion passed, 4-0.

REGULAR CALENDAR

ITEM

1. STAFF REPORT AND RECOMMENDATION RE ESTIMATED RETIREMENT ALLOWANCES:

   This was a carry-over item from a previous Board meeting concerning payment of estimated initial retirement allowances to retired employees. Clare Murphy, Staff Actuary, presented a report and recommended the Board approve implementation of Alternative 2, as herewith attached to these minutes.

   ACTION: It was moved by Bruschera, seconded by DeMerritt, to adopt staff's recommendation of Alternative 2, effective October 1, 1985; motion passed, 4-0.

2. REPORT RE TRANSFER OF AIRPORT POLICE TO PERS:

Clare Murphy, Staff Actuary, and Bill Smith, Consulting Actuary, presented a written and oral report to the Board on the transfer of Airport Police to PERS. The Board engaged in a question and answer session with staff and Mr. Smith.

ACTION: It was moved by Bruschera, seconded by DeMerritt, to authorize the transfer of $5,288,477.44 to PERS on behalf of the Airport Police, effective July 1, 1985; motion passed, 4-0.

3. HEARING OFFICER DECISIONS:

a) MANGAN, Joseph J.
POLICE - Q60 Lieutenant
INDUSTRIAL DISABILITY RETIREMENT — DENIED

b) RAMIREZ, Joseph
MUNI - 7355 Truck Driver
ORDINARY DISABILITY RETIREMENT
EFFECTIVE DATE: August 8, 1984 — GRANTED

ACTION: It was moved by Bruschera, seconded by DeMeritt, to accept the Hearing Officer Decisions; motion passed, 4-0.

GENERAL MANAGER'S REPORT

The General Manager reported that:

1. He had attended the Washington Legislative Update Conference. He presented a written report on the pertinent and timely topics. Several key topics covered were: A legislative review affecting pension and health and welfare plans; proposed new tax laws affecting employee benefits; and projected Social Security System benefits and costs in the years ahead.

2. DeWitt Bowman presented an update on divestment proceedings in line with the Board's South Africa Resolution.

3. That Bonnie Gibson, an attorney, has been appointed to the Retirement Board filling the vacancy left by Meta K. Stanley. Her swearing-in will take place Wednesday, June 12, 1985 at 11:00 a.m. in the Mayor's Office.

4. That the election schedule for Warren DeMerritt's pending vacancy on the Board is presenting some conflicts. The Board requested staff to further investigate this matter and place it for discussion on the Regular Calendar at the next Board meeting.

BOARD MEMBERS

Dr. Raymond Weisberg announced that a Board meeting will be held June 18, 1985 between 11:00 a.m. and 2:00 p.m. to interview the three top candidates for the General Manager's position. The candidates will be interviewed in closed session.

There being no further business,
the Board adjourned at 1:45 p.m.

Respectfully submitted,

Granville DeMerritt
General Manager

NOTE: Transcripts of meeting contains reference to meeting items.

Court Reporter: Marianne Raulino

ALTERNATIVE 2

Eligible to Participate

All retirees, service, disability or vested. Member must apply prior to date of retirement.

Process

Each member will be guaranteed payment of first warrant within 60 calendar days of effective date with at least 50% receiving first warrant within 45 calendar days. This payment will consist of actual retirement allowance due from effective date thru date of the roll. Disabilities will be initiated within 60 days of granted decision.

Possible Consequences

Conform to present design of computer system for ongoing MIS project.
Requires shifting staff, may result in delays of other benefit payments and computations and/or proper counseling of members.
Uses management resources which would otherwise be committed to MIS project.

Additional Resources Required

Completion of terminal access to new payroll system data. Filling of all presently vacant operations positions.

Additional Work Elements

Requires significant active management of resources.

Proposed Implementation Date

For service retirements effective October 1, 1985 or later and disability retirements with granted hearing officer discusions received after October 1, 1985.

SF
R55
#3
6/18/85

MINUTES OF THE RETIREMENT BOARD
City and County of San Francisco

1155 Market Street
San Francisco, CA 94103

Tuesday, June 18, 1985 - 11:00 a.m.

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PRESENT:	Raymond L. Weisberg, M.D.	President
	Warren DeMerritt	Vice President
	Peter D. Ashe	Commissioner
	Leon Bruschera	Commissioner
	Paul F. Denning	Commissioner
	Bonnie K. Gibson	Commissioner
ABSENT:	John L. Molinari	President, Board of Supervisors

Granville DeMerritt — General Manager
Retirement System

RETIREMENT BOARD

REGULAR MEETING

REGULAR CALENDAR

SPECIAL ORDER

President Weisberg announced that Bonnie K. Gibson had been appointed to the Retirement Board by Mayor Feinstein vice Meta K. Stanley, resigned. Ms. Gibson was officially sworn in and took the oath of office on June 12, 1985. Ms. Gibson was thereupon officially seated as a Member of the Retirement Board.

CLOSED SESSION

At this time, the Board went into closed session for the purpose of interviewing the three persons certified by the Civil Service Commission as candidates for the position of Secretary-General Manager of the Retirement System.

ACTION: The Board announced, by unanimous vote, that Clare Murphy was selected as Secretary-General Manager, effective July 1, 1985.

The Retirement Board then considered the vacancy in the position of Actuary created by Clare Murphy's appointment as Secretary-General Manager.

ACTION: The Board announced, by a vote of 5-0 (Warren DeMerritt abstained), that Granville DeMerritt was selected as Actuary, effective July 1, 1985.

There being no further business, the Board adjourned at 1:30 p.m.

Respectfully submitted,

Granville DeMerritt
General Manager

SF
R55
#3
6/25/85

MINUTES OF THE RETIREMENT BOARD
City and County of San Francisco

1155 Market Street
San Francisco, CA 94103

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Tuesday, June 25, 1985 - 10:00 a.m.

PRESENT:	Raymond L. Weisberg, M.D.	President
	Warren DeMerritt	Vice President
	Peter D. Ashe	Commissioner
	Leon Bruschera	Commissioner
	Paul F. Denning	Commissioner
	Bonnie K. Gibson	Commissioner
ABSENT:	John L. Molinari	President, Board of Supervisors
	Granville DeMerritt	General Manager Retirement System

MINUTES: Minutes of Regular Meetings June 11 & 18, 1985

ACTION: Approved as submitted

RETIREMENT BOARD

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM

a) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:
Peter Siragusa $ 1,403.65

b) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Claudia Paramore Brown $16,000.00

c) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Richard M. Hall $ 7,100.00

d) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
John Peak $12,500.00

ACTION: It was moved by Bruschera, seconded by Ashe, to adopt the Consent Calendar, motion passed, 5-0. (Weisberg not present)

REGULAR CALENDAR

ITEM

1. RETIREMENT BOARD ELECTION - SPECIFYING DATES FOR NOMINATIONS AND ELECTION:

Granville DeMerritt, General Manager and Walter Johnson, Compensation Claims Supervisor, rendered a written and oral report on the pending Retirement Board Election. The Board discussed the various options available as presented by Registrar of Voters Jay Patterson.

ACTION: It was moved by Denning, seconded by DeMerritt, to approve that Retirement Board election proceedings begin immediately; motion passed 5-0. (See attached schedule)

2. CITY ATTORNEY'S OPINION 84-8 RE PROPOSED LEGISLATION AT STATE OR FEDERAL LEVEL:

Granville DeMerritt and Dan Maguire, Legal Counsel, reviewed and discussed with the Board a recent City Attorney's Opinion 84-8 re Proposed Legislation at State or Federal Level. The Board took no action on this matter; it was an information item only.

3. HEARING OFFICER DECISIONS:

a) BLEVINS, Hampton
PUC - 7364 Power House Operator
ORDINARY DISABILITY RETIREMENT
EFFECTIVE DATE: July 1, 1985 — GRANTED

b) GILMORE, McCorl
MUNI - 9104 Transit Car Cleaner Ass't Supr.
ORDINARY DISABILITY RETIREMENT
EFFECTIVE DATE: May 1, 1984 — GRANTED

c) JONES, Clarence E.
MUNI - 9163 Muni Operator
ORDINARY DISABILITY RETIREMENT
EFFECTIVE DATE: February 2, 1985 — GRANTED

d) PAULIN, George W.
POLICE - Q50 Sergeant
INDUSTRIAL DISABILITY RETIREMENT — DENIED

e) RUSSO, Richard J.
FIRE - H2 Firefighter
INDUSTRIAL DISABILITY RETIREMENT
EFFECTIVE DATE: May 14, 1985 — GRANTED

f) WHITFIELD, William
FIRE - H30 Captain
INDUSTRIAL DISABILITY RETIREMENT
EFFECTIVE DATE: March 2, 1985 — GRANTED

ACTION: It was moved by Bruschera, seconded by Ashe, to accept the Hearing Officer Decisions; motion passed, 5-0.

NOTE: Dr. Weisberg arrived at the meeting at this time.

4. RESOLUTION COMMENDING COMMISSIONER WARREN DeMERRITT ON HIS RETIREMENT FROM CITY SERVICE:

Dr. Weisberg introduced a Resolution commending Commissioner Warren J. DeMerritt on his retirement from City Service and the Retirement Board.

ACTION: By unanimous acclamation, the Board adopted the Resolution attached, commending Warren J. DeMerritt on his retirement from City Service and the Retirement Board.

INVESTMENTS CALENDAR

ITEM

1. RECOMMENDATION RE EQUITY MANAGER CANDIDATE CRITERIA, SELECTION PROCESS AND TIMETABLE:

DeWitt Bowman, Chief Investment Officer, and Diane Gale, Assistant Chief of Investments, presented a written and oral report to the Board re the Equity Manager Candidate criteria selection process and timetable. The Board engaged in a question and answer session with staff.

ACTION: It was moved by Ashe, seconded by Bruschera, to adopt staff's recommendation of the Equity Manager Criteria, Selection Process and Timetable with two modifications. The modifications reflect a change in the timetable advancing the date of firm presentations to the Board and final selections one month and at the Board's August Quarterly Investment Meeting, the Equity Managers will be requested to respond to their performance over the past three years; motion passed 6-0.

2. BOARD DISCUSSION OF REAL ESTATE INVESTMENT OPTIONS:

DeWitt Bowman presented a written and oral report to the Board on Real Estate Investment Options for the Retirement System. The Board reviewed and discussed the options with staff and decided to hold a panel with different real estate investment firms presenting options. The regular meeting will begin at 11:00 a.m. and the real estate panel will begin at 2:00 p.m.

ACTION: No action taken; information item only.

3. MEMBERSHIP IN COUNCIL OF INSTITUTIONAL INVESTORS:

DeWitt Bowman presented a request for the Retirement System to become members in the Council of Institutional Investors. The cost is based on system assets and would be approximately $2,000.00

ACTION: It was moved by Bruschera, seconded by DeMerritt, to have the Retirement System join the Council of Institutional Investors; motion passed, 6-0.

ACTION: It was moved by Gibson, seconded by Bruschera, to appoint Commissioners Weisberg and Denning to be the representatives to the Council of Institutional Investors; motion passed, 6-0.

NOTE: Dr. Weisberg left the meeting at this point.

GENERAL MANAGER'S REPORT

The General Manager reported that:

1. He had received a communication summarizing the Gann Public Retirement Initiative. Staff will follow the development of this initiative closely and when appropriate, place on the regular calendar for full discussion.
2. DeWitt Bowman reported that representatives from Shearson Lehman American Express Company had approached staff with a request for the City and County of San Francisco to fund Tax Exempt Revenue Bonds. A discussion ensued.
3. He, Granville DeMerritt, wished to thank the Board for the opportunity of serving as their Secretary-General Manager for the past two years and that this was his last meeting in that capacity.

BOARD MEMBERS

ACTION: By unanimous acclamation, the Board nominated and elected Peter D. Ashe to serve as Vice President of the Retirement Board, vice Warren J. DeMerritt.

Commissioner Ashe and Commissioner Denning expressed thanks and gratitude to Granville DeMerritt for his tenure as interim Secretary-General Manager.

There being no further business, the Board adjourned at 2:05 p.m.

Respectfully submitted,

Granville DeMerritt
General Manager

NOTE: Transcripts of meeting contains reference to meeting items.

Court Reporter: Marianne Raulino

City and County of San Francisco

San Francisco City and Count
Employees' Retirement Syste
Office of The General Manag

RETIREMENT BOARD ELECTION PROCEDURE

The following Retirement Board election procedure is in compliance with Administrative Code Sections 16.550 - 16.564.

June 25, 1985	Retirement Board declares vacancy will occur and specifies dates during which ballots may be marked and delivered.
July 12 to Aug. 2, 85	Nominations for election. (Not less than 21 days)
August 5, 1985	Retirement System notifies Registrar of Voters that ballots may be marked and delivered. (120 days before first voting day)
September 4, 1985	Registrar requests that department heads designate election officers (90 days before first voting day)
October 4, 1985	Department heads notify Registrar of identity of election officers. (60 days before first voting day)
October 29, 1985	Retirement furnishes Registrar with ballots and voting lists. (35 days before first voting date)
November 11, 1985	Registrar sends written instruction to departments on election procedure. (21 days before first voting day)
November 22, 1985	Registrar delivers ballots to departments. (10 days before first voting day)
November 29, 1985	Retirement furnishes Registrar with supplemental voting list. (2 days before first voting day)
Dec. 2 to 13, 1985	Official election dates (Dec. 2, 1985, is first voting day)
December 13, 1985	Last day Registrar receives ballots
December 16, 1985	Registrar counts ballots and certifies name of person receiving largest number of votes.
	Elected member takes seat on Retirement Board.
Feb. 20, 1986	For full term.
1st meeting after Dec. 16, 1985	For unexpired term.

770 Golden Gate Avenue San Francisco 94102

RESOLUTION

WHEREAS, Warren J. DeMerritt, an elected member of the Retirement Board of the City and County of San Francisco, has announced his retirement from City service, effective June 29, 1985, and

WHEREAS, Warren J. DeMerritt's retirement will bring to a close an outstanding and prominent career in City and County Service, spanning nearly forty (40) years, and

WHEREAS, Warren J. DeMerritt began City Service in late 1945 as an Electrical Railway Shop Mechanic with the Municipal Railway and, during his nearly forty years' service with the Municipal Railway, advanced steadily to a number of supervisory positions, culminating as Transportation Equipment Shop Supervisor for the entire Muni Metro System, a nationally-acclaimed public transit system, and

WHEREAS, during Warren J. DeMerritt's long and illustrious career in City Service, he served with great distinction and honor as an elected member of the Retirement Board and as a Trustee of the Retirement Fund, said service beginning in March 1969 and spanning the ensuing sixteen (16) years, during which time the Retirement System and Retirement Fund experienced phenomenal growth and success, achieving status as one of the finest public retirement systems in the State of California and which enjoys nationwide recognition today as one of the top 100 pension funds in the United States, and

WHEREAS, during Warren J. DeMerritt's long career in City Service, he also served his fellow employees with great distinction, serving as President of the prestigious Civil Service Association of San Francisco and as a longtime elected member of the Association's Executive Board; in addition, for a period spanning more than twenty-five (25) years, Warren J. DeMerritt has served as Treasurer of International Brotherhood of Electrical Workers, Local Union No. 6, and

WHEREAS, in bringing this long and distinguished career to a close, Warren J. DeMerritt exemplifies those many qualities inherent in a dedicated public service, to wit: loyal, faithful and devoted service; a sincere compassion for his fellow workers; and the ability to unselfishly serve the interests and needs of the people of the City and County of San Francisco and its thousands of employees, NOW

THEREFORE, BE IT RESOLVED, that the Retirement Board and the entire staff of the Retirement System, does herewith congratulate Warren J. DeMerritt on the occasion of his retirement from City Service and, with deep and sincere appreciation and gratitude, commend Warren J. DeMerritt for his outstanding service to the City and County of San Francisco and, in particular, his superior and exceptional service as a Member of the Retirement Board, and

BE IT FURTHER RESOLVED, that the Retirement Board and Staff extend every good wish to Warren J. DeMerritt for a very long, happy, rewarding, and well deserved retirement.

This resolution was presented to and adopted by the Retirement Board on the twenty-fifth day of June in the year One Thousand Nine Hundred and Eighty Five.

Raymond L. Weisberg, President

Peter D. Ashe, Commissioner

Leon Bruschera, Commissioner

Paul F. Denning, Commissioner

John L. Molinari, President
Board of Supervisors

MINUTES

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RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco
Tuesday, July 9, 1985 - 10:00 a.m.

PRESENT:	Raymond L. Weisberg, M.D.	President
	Leon Bruschera	Commissioner
	Paul F. Denning	Commissioner
	Bonnie K. Gibson	Commissioner
ABSENT:	Peter D. Ashe	Vice President
	John L. Molinari	President, Board of Supervisors
	Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of Regular Meeting June 25, 1985

ACTION: Approved as Submitted

RETIREMENT BOARD

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST NO. 1-85:

b) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:
Willie B. James $ 500.00

c) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:
Marilyn McKeever $2,410.21

d) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:
Jacqueline Wilcots $ 850.00

e) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION & COMPROMISE & RELEASE:
Carla Anguiano $5,000.00

f) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION & COMPROMISE & RELEASE:
Jean Ellis $2,019.35

g) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION & COMPROMISE & RELEASE:
Lee A. Hill $1,285.26

h) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION & COMPROMISE & RELEASE:
Gary M. Montague $2,000.00

i) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION & COMPROMISE & RELEASE:
Joyce Williams $ 500.00

j) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Carmelita Cenidoza

k) APPLICATION FOR BIRTHDATE CORRECTION:
Eugene A. Starr

l) REQUEST TO WITHDRAW APPLICATION FOR INDUSTRIAL DISABILITY RETIREMENT:
Frank B. Lutticken

ACTION: It was moved by Bruschera, seconded by Denning, to accept the Consent Calendar; motion passed, 4-0.

REGULAR CALENDAR

ITEM

1. REQUEST TO DESTROY PAYROLL RECORDS - POLICY:

   Alyce Wong, Chief Accountant, presented a written and oral report on a recommended policy to destroy payroll records. The Board reviewed and discussed the policy with staff.

   ACTION: It was moved by Denning, seconded by Bruschera, to adopt an interim limited policy to destroy payroll records; motion passed, 4-0.

2. RENEWAL OF CONTRACT - CONSULTING ACTUARY, MILLIMAN AND ROBERTSON:

   Clare Murphy, General Manager, presented a written and oral report on the renewal of the Consulting Actuary's Contract. The Board reviewed and discussed the details of the contract with Ms. Murphy.

   ACTION: It was moved by Gibson, seconded by Denning, to approve the renewal of the contract with Milliman and Robertson in an amount not to exceed 120,000 dollars; motion passed, 4-0.

3. REQUEST TO ATTEND 31ST ANNUAL EDUCATIONAL CONFERENCE AT THE INTERNATIONAL FOUNDATION OF EMPLOYEE BENEFIT PLANS NOVEMBER 15-20, HONOLULU, HAWAII:

   Clare Murphy, General Manager, presented a request to the Board for the Board and selected staff to attend the 31st Annual Educational Conference. The Board discussed attendance at this conference and proceeded to discuss attendance at the Public Employees Conference in New Orleans mentioned next in Item #4. The Board chose to act on both Item #3 and Item #4 simultaneously.

4. REQUEST TO ATTEND PUBLIC EMPLOYEES CONFERENCE OCTOBER 13-16, 1985, NEW ORLEANS, LOUISIANA:

   Please refer to Item #3 for discussion. The Board took the following action.

   ACTION: It was moved by Denning, seconded by Bruschera, to authorize attendance at both the International Foundation's 31st Annual Educational Conference in Honolulu, Hawaii, and the Public Employees Conference in New Orleans, Louisiana, for Board and selected staff, who will be chosen at a later date; motion passed, 4-0.

5. HEARING OFFICER DECISIONS:

   a) BROWN, Claudia
      HEALTH - 2302 Orderly
      ORDINARY DISABILITY RETIREMENT
      EFFECTIVE DATE: August 1, 1984 GRANTED

b) NELSON, Arthur A.
FIRE - H10 Chief's Operator
INDUSTRIAL DISABILITY RETIREMENT
EFFECTIVE DATE: August 10, 1985 GRANTED

c) PARKER, Artis
SFUSD - 2708 Custodian
ORDINARY DISABILITY RETIREMENT
EFFECTIVE DATE: August 1, 1984 GRANTED

d) WEBB, Patsy R.
PH/SFGH - 1708 Sr. Telephone Opr.
ORDINARY DISABILITY RETIREMENT
EFFECTIVE DATE: March 1, 1985 GRANTED

ACTION: It was moved by Denning, seconded by Gibson, to adopt the Hearing Officer Decisions; motion passed, 4-0.

INVESTMENTS CALENDAR

ITEM

1. AUTHORIZATION FOR EXECUTION OF DAY-TO-DAY TRUST TRANSACTIONS:

Clare Murphy, General Manager, presented a resolution to the Board on the Authorization for Execution of Day-to-Day Trust Transactions. This measure is a result of the change in General Manager.

ACTION: It was moved by Bruschera, seconded by Denning, to approve the Resolution on Authorization for Execution of Day-to-Day Trust Transactions; motion passed, 4-0.

2. REPORT OF CANDIDATES UNDER CONSIDERATION FOR EXTERNAL EQUITY MANAGEMENT:

DeWitt Bowman, Chief Investment Officer, presented a written and oral report on the candidates under consideration for External Equity Management. The Board reviewed and discussed the 61 firms under consideration.

ACTION: No action taken; information item only.

SUPPLEMENTAL CALENDAR

ITEM

1. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:
Kathleen Cinnater $ 2,500.00
2. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:
Patrick O'Connor $16,767.00
3. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:
Sandra Rodriguez $ 700.00

4. SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:

Wilbert McPherson $ 5,600.00

5. SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:

June M. Price $ 5,528.02

ACTION: It was moved by Bruschera, seconded by Denning, to accept the Consent Section of the Supplemental Calendar; motion passed, 4-0.

6. HEARING OFFICER DECISION:

DARLEY, Charles E.
PUBLIC WORKS - 7355 Truck Driver
ORDINARY DISABILITY RETIREMENT
EFFECTIVE DATE: June 15, 1985 GRANTED

7. HEARING OFFICER DECISION:

FIORELLA, Thomas J.
DSS - 2903 Elig. Worker
ORDINARY DISABILITY RETIREMENT
EFFECTIVE DATE: June 1, 1985 GRANTED

8. HEARING OFFICER DECISION:

GENNA, Matteo
POLICE - Q60 Lieutenant
INDUSTRIAL DISABILITY RETIREMENT DENIED

9. HEARING OFFICER DECISION:

HERZSTAM, Jon N.
PHD - 2589 Health Program Coordinator
ORDINARY DISABILITY RETIREMENT
EFFECTIVE DATE: August 5, 1985 GRANTED

10. HEARING OFFICER DECISION:

JUDSON, Ronald H.
FIRE - H40 Battalion Chief
INDUSTRIAL DISABILITY RETIREMENT
EFFECTIVE DATE: April 2, 1984 GRANTED

ACTION: It was moved by by Bruschera, seconded by Gibson, to adopt the Hearing Officer Decisions; motion passed, 4-0.

There being no further business, the Board adjourned at 11:30 a.m.

Respectfully submitted,

Clare M. Murphy
General Manager

NOTE: Transcripts of meeting contains reference to meeting items
Court Reporter: Marianne Raulino

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

Tuesday, July 30, 1985 - 11:00 a.m.

SF
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#3
7/30/85

PRESENT:	Raymond L. Weisberg, M.D.	President
	Peter D. Ashe	Vice President
	Leon Bruschera	Commissioner
	Paul F. Denning	Commissioner
	Bonnie K. Gibson	Commissioner
ABSENT:	John L. Molinari	President, Board of Supervisors
	Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of Regular Meeting July 9, 1985

ACTION: Approved as Submitted

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RETIREMENT BOARD

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM

a) VOLUNTARY SERVICE RETIREMENT LISTS #2-85 AND #3-85:

b) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

Robert M. Dutton	$ 2,300.00

c) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

Gerald Del Torre	$ 7,000.00

d) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

Jeanette Leonard	$ 7,500.00

e) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:

Robert C. Alberigi	$ 3,200.00

f) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:

Lois Terry	$ 3,002.00

g) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION & COMPROMISE AND RELEASE:

Michael D. Becker and Richard Janese	$ 1,549.43

h) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION & COMPROMISE AND RELEASE:

Lawrence Brown	$ 8,000.00

i) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Alfred W. Lent

j) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Joseph Martinez

k) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Sandra Hodess

l) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Maureen Hrenoff

m) REQUEST TO CORRECT DATE OF BIRTH:

Silk Hing Chan

n) REQUEST FOR DESTRUCTION OF RECORDS FROM THE CONTROLLER:

ACTION: It was moved by Ashe, seconded by Bruschera, to accept the Consent Calendar; motion passed, 5-0.

As a result of discussion of Consent Calendar item, the following action was taken:

ACTION: It was moved by Denning, seconded by Gibson, to direct staff to make contact with the appropriate commissions to discover if there is a policy regarding injuries of employees while engaged in secondary employment.

REGULAR CALENDAR

ITEM

1. ADJUSTMENT OF RETIREMENT ALLOWANCE:

   Clarence Conneley, Jr.

   ACTION: By a unanimous ballot vote, the Board approved the adjustment of Clarence Conneley, Jr.'s Industrial Disability Retirement from 50% to 80%, effective April 5, 1985.

2. REQUEST TO PETITION FOR REHEARING - PERS:

   Alvi Blasi

   Dan Maguire, Legal Counsel requested this item be put over to the next meeting pending member notification.

   ACTION: No action taken, item put over to next Board meeting.

3. ANNUAL MBO APPRAISAL 1984-85:

   Rudy Hernandez, Deputy General Manager, Operations and Finance, rendered a written and oral report to the Board on the 1984-85 Annual MBO Appraisal. The Board reviewed and discussed the progress with Mr. Hernandez.

   ACTION: It was moved by Ashe, seconded by Denning, to accept staff's report on the status of the Retirement System's MBO's for FY 1984-85; motion passed, 5-0.

NOTE: Commissioner Denning commended staff for the excellent performance indicated by the MBO report.

4. HEARING OFFICER DECISIONS:

   a) McCAFFREY, Kimberly (Dennis McCaffrey)
      CONTINUATION — GRANTED

   b) MURPHY, John J.
      SHERIFF - Lt. (PERS)
      INDUSTRIAL DISABILITY RETIREMENT
      EFFECTIVE DATE: April 1, 1984 — GRANTED

   ACTION: It was moved by Denning, seconded by Bruschera, to adopt the Hearing Officer Decisions; motion passed, 5-0.

INVESTMENTS CALENDAR

Item

1. PROGRESS REPORT ON SOUTH AFRICAN DIVESTMENT:

   DeWitt Bowman, Chief Investment Officer, presented a written and oral report on the progress of South African Divestment of the Retirement System Fund. The Board reviewed and discussed the report with Mr. Bowman. It has only been two months since one of the funds has become South Africa free and thus too early to measure the performance. The Board engaged in a question and answer session. Several members from the Retirees' Association also participated in the question and answer session.

   ACTION: No action taken, this was an information item only.

2. EQUITY MANAGER SELECTION UPDATE:

   DeWitt Bowman, Chief Investment Officer and Carolyn Hamilton, Assistant Chief of Investments, presented a written and oral report on the progress of the selection of equity managers. The Board discussed the upcoming selection process.

   ACTION: No action taken, this was an information item only.

3. REAL ESTATE REPORT:

   DeWitt Bowman and Carolyn Hamilton presented a written report on the Retirement System's current equity real estate investments. The Board reviewed and discussed diversification of equity real estate investments.

   ACTION: No action taken; this was an information item only.

4. REAL ESTATE PANEL:

   Representatives from the following real estate firms made presentations on the different types of real estate accounts:

   Open end funds:

   Meyer Melnikoff, Goldman Sachs & Company
   William Bowersock, Prudential Asset Mgt. Company

   Closed end funds:

   Vincent Martin, TCW Realty Advisors
   Paul Sack, PREEF Funds

   Separate Accounts:

   Vernon Bennett, FIA Associates Inc.
   Ann Wengert, J.P. Morgan Investment Management

The Board participated in a question and answer session with the members of the panel.

ACTION: No action taken; information item only.

GENERAL MANAGER'S REPORT

The General Manager reported that:

1. The election for the unexpired term vice Warren DeMerritt and the full term vice Leon Bruschera is in progress. Candidates have to file by August 2, 1985. The Board discussed the array of candidates that have entered.

2. A communication had come from the Police Department regarding the set-up of a Health Maintenance Committee. The intention is to reduce sick leave and disability retirements.

3. Requested the Board consider adjourning in memory of Philip J. Karney, former Retirement Board Member.

BOARD MEMBERS

The President, Raymond L. Weisberg, M.D. reported that:

1. He had distributed an article from the California Journal regarding Jess Unruh, California State Treasurer.

2. Commissioner Weisberg had received communication from the Council of Institutional Investors regarding anti-takeover legislation.

   ACTION: It was moved by Denning, seconded by Ashe, to direct staff to send a telegram to the Governor of New York Mario Cuomo expressing the Retirement Board's opposition to this legislation and to urge a veto of this legislation; motion passed, 5-0.

3. He had received information regarding the Outstanding Manager Award. The Board discussed candidates with staff and decided to strive for presenting an acceptable candidate in one year's time.

CLOSED SESSION

At this time, the Board went into closed session to review correspondence regarding a personnel issue. The Board reconvened in open session and staff was directed to draft responses.

There being no further business,
The Board adjourned at 4:45 p.m.,
in memory of Philip J. Karney.

Clare M. Murphy
General Manager

NOTE: Transcripts of meeting contains reference to meeting items
Court Reporter: Lucy Carrillo

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

Tuesday, August 13, 1985 - 9:00 a.m.

PRESENT:	Raymond L. Weisberg, M.D.	President
	Peter D. Ashe	Vice President
	Leon Bruschera	Commissioner
	Bonnie K. Gibson	Commissioner
ABSENT:	Paul F. Denning	Commissioner
	John L. Molinari	President, Board of Supervisors
	Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of Regular Meeting July 30, 1985

ACTION: Approved as Submitted.

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RETIREMENT BOARD

QUARTERLY INVESTMENT MEETING

INVESTMENTS CALENDAR

ITEM

1. STAFF REPORT ON PERFORMANCE OF EXTERNAL FIXED INCOME MANAGERS FOR PERIOD ENDING JUNE 30, 1985:

   DeWitt Bowman, Chief Investment Officer, and Diane Gale, Assistant Chief of Investments, rendered a written and oral report on the performance of our external fixed income managers for the quarter ending June 30, 1985. Staff summarized the activities of these managers in relation to the styles for which they were hired. No action was taken by the Board on this report.

2. STAFF REPORT ON PERFORMANCE OF EQUITY MANAGERS INCLUDING EXTERNALLY AND INTERNALLY MANAGED PORTFOLIOS FOR PERIOD ENDING JUNE 30, 1985:

   DeWitt Bowman and Diane Gale rendered a written and oral report on the performance of the equity managers including externally and internally managed portfolios for the quarter ending June 30, 1985. Staff summarized the activities of these managers in relation to the styles for which they were hired. Staff also reported on the activities of the internally managed portfolio in relation to the style in which it is managed. No action was taken by the Board on this report.

3. PRESENTATION BY EXTERNAL EQUITY MANAGERS:

   Representatives of the following firms, investment managers of the equity portion of the Retirement System's portfolio, rendered written and oral reports to the Board on the status of equity investments for the quarter ending June 30, 1985:

   a. George Springman, Inc.
   b. Loomis Sayles
   c. CIMCO
   d. Eaton Vance

   Board Members and staff exchanged viewpoints and comments on portfolio performance and current and projected economic conditions with the firm representatives. No action was taken by the Board on the reports.

4. DISCUSSION OF ASSET ALLOCATION STUDY BY DR. FRANK SORTINO:

   Dr. Frank Sortino of the Pension Research Institute presented a written and oral report regarding the forecasts of the Asset Allocation Program Study that he and his staff performed. The Board reviewed and discussed the program forecast with Dr. Sortino. No action was taken by the Board on the reports.

5. STAFF REPORT ON ACTIVITY AND PERFORMANCE OF INTERNAL FIXED INCOME FUNDS FOR PERIOD ENDING JUNE 30, 1985:

DeWitt Bowman and Diane Gale rendered a written and oral report on the transactions and performance of the internally managed Fixed Income Funds for the quarter ending June 30, 1985. The Board reviewed the reports and engaged in a question and answer session with staff.

6. STAFF RECOMMENDATION ON ALLOCATION OF FUNDS FOR THE PERIOD ENDING OCTOBER 31, 1985:

DeWitt Bowman presented to the Board a recommended policy for the investment and allocation of funds for the period ending October 31, 1985.

ACTION: It was moved by Ashe, seconded by Bruschera, to approve staff's recommendation on the allocation of funds for the period ending October 31, 1985; motion passed, 4-0.

7. CHIEF INVESTMENT OFFICER'S REPORT:

The Chief Investment Officer reported that:

a. The Securities Lending Program is proving to be very successful. On an annualized basis, net revenues to the fund are approximately $550,000.00.

b. He wished to bring the Board up to date on the equity manager search. Of the 64 firms surveyed, 52 responded and 12 declined. The staff will be narrowing the field down to about 12 or 14 for the presentations that will take place in September.

c. A tentative schedule for equity manager presentations had been set. Further refinement of this schedule shall be prepared by August 23, 1985.

d. He presented a memo regarding the direction of the Coldwell Banker Fund VIII a recent investment in the real estate portion of the retirement fund.

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM

a) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

Joseph Calleja	$ 9,082.50

b) SETTLEMENT OF DISPUTED CLAIM - COMPROMIES AND RELEASE:

David Kern	$ 3,000.00

c) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:

Mae Kay $ 4,100.00

d) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:

Randy Radasovich $ 500.00

e) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Dwight Clark

ACTION: It was moved by Bruschera, seconded by Gibson, to accept the Consent Calendar; motion passed, 4-0.

REGULAR CALENDAR

ITEM

1. PERMISSION FOR BOARD MEMBER TO ATTEND INSTITUTE FOR NEW TRUSTEES, ADVANCED TRUSTEES AND ADMINISTRATORS, SEPTEMBER 15, 1985, BANFF, ALBERTA, CANADA.

   ACTION: It was moved by Bruschera, seconded by Ashe, to approve permission for Commissioner Paul Denning to attend the Institute for New Trustees, Advanced Trustees and Administrators, September 22-25, 1985, in Banff, Alberta, Canada; motion passed, 4-0.

2. PERMISSION FOR BOARD MEMBER TO ATTEND INSTITUTE FOR FIDUCIARY EDUCATION, EUROPEAN TRIP, IN OCTOBER 1985:

   ACTION: It was moved by Bruschera, seconded by Ashe to approve permission for Commissioner Peter D. Ashe to attend the Institute for Fiduciary Education, European trip, in October 1985; motion passed, 4-0.

3. PERMISSION FOR BOARD MEMBERS AND STAFF TO ATTEND THE COUNCIL OF INSTITUTIONAL INVESTORS MEETING ON OCTOBER 29-30, 1985, IN ATLANTA, GEORGIA:

   ACTION: It was moved by Bruschera, seconded by Ashe, to approve permission for Commissioners Weisberg and Denning and Chief Investment Officer DeWitt Bowman, or his designee, to attend the Council of Institutional Investors Meeting on October 29-30, 1985 in Atlanta, Georgia; motion passed, 4-0.

4. HEARING OFFICER DECISIONS:

   a) BUSALACCHI, Mario
      POLICE - Q50 Sgt
      INDUSTRIAL DISABILITY RETIREMENT DENIED

   b) CUDDY, John T.
      FIRE - H2 Firefighter
      INDUSTRIAL DISABILITY RETIREMENT
      EFFECTIVE DATE: May 9, 1985 GRANTED

c) GRASSIS, Charles D. - PERS
SHERIFF - Sr. Dep. Sheriff
INDUSTRIAL DISABILITY RETIREMENT — GRANTED

d) HUNT, Arthur R.
REC & PARK - 3226 Golf Course Starter
ORDINARY DISABILITY RETIREMENT
EFFECTIVE DATE: May 18, 1985 — GRANTED

e) JACKSON, Howard B.
POLICE - Q60 Lt.
INDUSTRIAL DISABILITY RETIREMENT — DENIED

f) JONES, Joyce Florence
COMM. ON AGING - 2993 Ass't to Director
ORDINARY DISABILITY RETIREMENT
EFFECTIVE DATE: August 17, 1984 — GRANTED

ACTION: It was moved by Gibson, seconded by Bruschera, to adopt the Hearing Officer Decisions; motion passed, 4-0.

GENERAL MANAGER'S REPORT

The General Manager reported that a representative from the Retired Employees Association Leo Murphy would make a presentation.

Leo Murphy, Editor of the San Francisco Retired Employees Association was pleased to report the results of a survey taken on the South Africa divestment resolution of the Retirement Board. 400 of the retirees voted and the results were:

Divest all funds	7%
Divest no funds	30%
Divest according to the Sullivan Principles	63%

Mr. Murphy reported the retirees are pleased with the actions of the Retirement Board.

BOARD MEMBERS

President Weisberg distributed a memorandum from Jesse Unruh of the Council of Institutional Investors, regarding the PEPPRA legislation.

There being no further business, the Board adjourned at 2:40 p.m.

Clare M. Murphy
General Manager

NOTE: Transcripts of meeting contains reference to meeting items
Court Reporter: Lucy Carrillo, C.S.R.

Date August 6, 1985

San Francisco City and County Employees' and
Retirement System Recommended Asset Allocation
For the Quarter ending Oct. 31 , 1985

FUNDS ANALYSIS

INVESTMENT RESERVES AS OF July 31 , 1985		$ 210,596,831
Projected net cash additions to portfolio for the Quarter		18,000,000
Projected Equity dividend income for the Quarter		6,899,220
Projected Fixed Income interest income for the Quarter		33,812,677
Total funds available:		$ 269,308,728

RECOMMENDED CASH FLOW ASSET ALLOCATION FOR
The Quarter Ending Oct. 31 , 1985

Previous Allocation:		
Funds invested in common stock:		210,596,831
Crocker Investment Management Corp.) Eaton and Howard, Vance Sanders Inc.) Loomis-Sayles and Co., Inc.)	4.8	2,706,183
G.B. Springman Inc.	2.1	1,228,872
Index	1.8	1,071,626
Internal	1.5	857,539
Funds invested in equity real estate	8.5	5,000,000
Funds invested in Fixed Income		
Bankers Trust	3.2	1,877,273
Lehman Management	3.4	2,109,896
McKay Shields	4.4	2,596,514
Scudder Stevens Clark	4.8	2,829,822
Internal-Active	55.3	32,434,172
-less liquid	-	-
Funds Invested in California Residential Mortgages	10.2	6,000,000
	100%	$ 269,308,728

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9/27/85

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

Tuesday, August 27, 1985 - 10:00 AM

PRESENT:	Raymond L. Weisberg, M.D.	President
	Peter D. Ashe	Vice-President
	Leon Bruschera	Commissioner
	Bonnie K. Gibson	Commissioner
ABSENT:	Paul F. Denning	Commissioner
	John L. Molinari, Presidnet, Board of Supervisors	
	Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of Regular Meeting August 13, 1985.

ACTION: Approved as Submitted

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RETIREMENT BOARD

REGULAR MEETING

INVESTMENTS CALENDAR

ITEM

1. CALLAN ASSOCIATES INVESTMENT REVIEW FOR YEAR ENDING June 30, 1985:

   A representative of Callan Associates, Mr. Ron Peyton, presented a written and oral report to the Board on the measurement of the Retirement System's investment portfolio for the quarter and year ending June 30, 1985. Following the completion of the oral report, Board Members, Staff and Mr. Peyton exchanged comments on the contents of the reports. No action was taken by the Board on the reports.

2. REPORT AND RECOMMENDATION ON EQUITY MANAGER SELECTION:

   DeWitt Bowman, presented a written and oral report and recommendation on the Equity Manager selection process. The firms to be interviewed were reviewed and discussed by the Board, Mr. Bowman and Mr. Peyton . The interview schedule for the Equity Manager was also discussed at this point.

   ACTION: It was moved by Ashe, seconded by Bruschera to approve Staff's recommendations and proceed to interview 12 firms; motion passed, 4-0.

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM

a) Voluntary Service Retirement List #4-85:

c) Settlement of Disputed Claim - Compromise and Release:

   Richard J. Olin $5,000.00

d) Application to Withdraw Application for Ordinary Disability Retirement:

   Wesley Scott, Jr.

e) Request to Withdraw Funds From Deferred Compensation Plan:

   Brian Fitzgerald

f) Request to Withdraw Funds From Deferred Compensation Plan:

   Gloria Johnson

h) Request to Withdraw Funds From Deferred Compensation Plan:

   Ronald D. Morrison

i) Request to Withdraw Funds From Deferred Compensation Plan:

   Vicella Smith

j) Request to Withdraw Funds From Deferred Compensation Plan:

   Ella Wilson

NOTE: Items B and G were removed from the Consent Calendar and acted on separately.

ACTION: It was moved by Bruschera, seconded by Gibson to accept the Consent Calendar with the exceptions of Items B & G, motion passed, 4-0.

ITEM

b) Settlement of Disputed Claim - Compromise and Release:

John Harrold (Full pay from 11/11/82 to 1/7/83)

The Board reviewed and discussed this case with Legal Counsel, Dan Maguire.

ACTION: It was moved by Ashe, seconded by Bruschera to approve Staff's recommendation to accept the settlement of disputed claim; motion passed, 3-1 (Gibson).

g) Request to Withdraw Funds From Deferred Compensation:

Judy Knoop

ACTION: It was moved by Bruschera, seconded by Gibson to carry this item over pending more substantial evidence; motion passed, 4-0.

REGULAR CALENDAR

ITEM

1. RECOMMENDATION FOR RETIREMENT SYSTEM ETHICAL GUIDELINES AND TRAVEL REGULATIONS:

Clare Murphy, General Manager and Pam Levesque, Executive Assistant to the General Manager presented a written and oral report and recommendation for Retirement System Ethical Guidelines and Travel Regulations. The Board engaged in a question and answer session with Staff. Staff will revise the draft and bring a final version for review at a later Board meeting.

ACTION: No action taken, information item only.

NOTE: Commissioner Ashe requested his European trip be withdrawn for the present time.

2. SUMMARY OF PROPOSED CHARTER AMENDMENT AMENDING SECTIONS 8300 AND 8310 - DISABLED PERSONS:

Clare Murphy and Pam Levesque presented a written and oral summary of the proposed Charter Amendment amending Sections 8300 and 8310 - Disabled Persons: The Board reviewed the proposed amendment with staff.

ACTION: No action taken, information item only.

3. SUMMARY OF PROPOSED CHARTER AMENDMENT REGARDING COMPENSATED ADVOCACY - RECI NDED:

Clare Murphy and Pam Levesque presented a written and oral summary on a proposed Charter Amendment regarding compensated advocacy that was recinded. The Board discussed the implications regarding Board members if this Charter Amendment passed. The Board also discussed responding to Douglas J. Engmann, Commissioner, Board of Permit Appeals with ideas on how a Charter Amendment of this nature might work in the future.

ACTION: No action taken, information item only.

ITEM

4. PERMISSION FOR BOARD MEMBERS AND STAFF TO ATTEND REAL ESTATE INVESTMENT STRATEGIES FOR PUBLIC PENSION FUNDS SPONSERED BY UTAH STATE RETIREMENT BOARD, IN SAN FRANCISCO, NOVEMBER 10-13, 1985:

ACTION: It was moved by Bruschera, seconded by Ashe to approve Board and Staff to attend the Real Estate Investment Strategies for Public Pension Funds sponsored by Utah State Retirement Board, in San Francisco, November 10-13, 1985; motion passed, 4-0.

5. HEARING OFFICER DECISIONS:

a) JACK, Carmen — GRANTED
PH/SFGH - 2303 Orderly
Ordinary Disability Retirement
Effective Date: June 1, 1985

b) McDONALD, James F. — DENIED
Police - Q50 Sgt.
Ordinary Disability Retirement

ACTION: It was moved by Gibson, seconded by Bruschera to adopt the Hearing Officer decisions; motion passed, 4-0.

BOARD MEMBERS

Commissioner Bruschera requested DeWitt Bowman, Chief Investment Officer prepare a report on the effect the Retirement System's divestment proceedings have had on related companies.

There being no further business, the Board adjourned at 2:30 P.M.

Clare M. Murphy
General Manager

NOTE: Transcripts of meeting contains reference to meeting items.

Court Reporter: Suzanne Miller, C.S.R.

August 27, 1985

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

Tuesday, September 10, 1985 - 10:00 a.m.

SF
R55
#3
9/10/85

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PRESENT:	Raymond L. Weisberg, M.D.	President
	Peter D. Ashe	Vice President
	Paul F. Denning	Commissioner
	Bonnie K. Gibson	Commissioner
ABSENT:	Leon Bruschera	Commissioner
	John L. Molinari	President, Board of Supervisors
	Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of Regular Meeting August 27, 1985.

ACTION: Approved as Submitted.

RETIREMENT BOARD

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST #5-85:

b) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

Phyllis Brewster $ 8,000.00

c) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION AND COMPROMISE AND RELEASE:

Robert Barrington $ 5,000.00

d) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION AND COMPROMISE AND RELEASE:

Harry Soulette $ 1,150.00

e) STAFF REQUEST TO DISMISS A CONTINUATION:

Manuel Lehua

f) STAFF REQUEST TO DISMISS APPLICATION FOR INDUSTRIAL DISABILITY:

Richard Carberry

g) STAFF REQUEST TO DISMISS APPLICATION FOR ORDINARY DISABILITY:

Guy Markell

h) STAFF REQUEST TO DISMISS APPLICATION FOR DETERMINATION:

Joseph Mignola

i) STAFF REQUEST TO DISMISS APPLICATION FOR INDUSTRIAL DISABILITY:

Edward Orrante

j) STAFF REQUEST TO DISMISS APPLICATION FOR INDUSTRIAL DISABILITY:

Henry Williams

k) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Judith Knoop

ACTION: It was moved by Ashe, seconded by Gibson, to adopt the Consent Calendar with the exception of items e) and g) which were removed; motion passed, 4-0.

REGULAR CALENDAR

ITEM

1. REQUEST TO PETITION FOR REHEARING - PERS:

   Alvi Blasi

Dan Maguire, Legal Counsel, reviewed all aspects of the case with the Board. Mike Hebel, Esq. presented a request to the Board to rehear the case on behalf of his client Mr. Blasi. The Board engaged in a question and answer session with the two attorneys.

ACTION: It was moved by Denning, seconded by Gibson to deny the request to petition for rehearing - PERS - Alvi Blasi -; motion passed 3-1 (Ashe).

2. REQUEST TO ADJUST RETIRMENT ALLOWANCE:

   Ernest Maggio from 50% to 65%

ACTION: By a unanimous ballot vote, the Board approved the stipulation adjustment of Ernest Maggio's Industrial Disability Retirement from 50% to 65%; motion passed, 4-0.

3. HEARING OFFICER DECISIONS:

BICKHAM, David
Muni RR - 9163 Transit Operator
Ordinary Disability Retirement
Effective Date: April 1, 1985 GRANTED

ACTION: It was moved by Gibson, seconded by Denning to accept the Hearing Officer Decision; motion passed, 4-0.

INVESTMENT CALENDAR

ITEM

1. STAFF REPORT ON SOUTH AFRICA DIVESTMENT POLICY:

DeWitt Bowman, Chief Investment Officer rendered a written and oral report on the progress through August on South Africa divestment proceedings. The Board reviewed and discussed the report with staff and requested this style of report be presented quarterly.

ACTION: No action was taken on this item, information only.

2. STAFF REPORT ON EQUITY MANAGER CANDIDATES:

DeWitt Bowman rendered a written and oral report on the Equity Manager candidates who are being interviewed in the near future. Mr. Bowman reviewed each manager and their specific styles. The Board engaged in a question and answer period regarding the specifics of the presentations that will be made by the managers.

ACTION: No action taken, information item only.

GENERAL MANAGER'S REPORT

The General Manager reported that:

1. A motion was required to substitute a staff person for attendance at the International Foundation's 31st Annual Conference in place of Dr. Weisberg.

   ACTION: It was moved by Ashe, seconded by Gibson, to authorize Maria L. Newport to attend the International Foundation's Annual Conference in Honolulu, Hawaii, November 15-20, 1985, and to authorize Commissioner Paul F. Denning to attend the Foundation's Annual Conference in place of his attendance at the conference in Banff, and to authorize a staff member to attend the 31st Annual Conference if Commissioner Gibson is unable to attend; motion passed, 4-0.

2. She requested authorization to attend the California Association of Public Retirement Systems (CALAPRS) first call for a General Assembly meeting Friday, October 25, 1985 in Newport Beach, California.

   ACTION: It was moved by Ashe, seconded by Denning, to authorize the General Manager to attend the first call to assembly meeting of CALAPRS, October 25, 1985 in Newport Beach, California; motion passed, 4-0.

3. She distributed copies of the correspondence received from Allan Kay of the Bay Guardian and a recent article on the subject of compensated advocacy.

There being no further business, the Board adjourned at 12:30 p.m.

Clare M. Murphy
General Manager

NOTE: Transcripts of meeting contain reference to meeting items.

Marianne Raulino, C.S.R.

SF
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9/17/85

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco
Tuesday, September 17, 1985

2:00 p.m.

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PRESENT:	Raymond L. Weisberg, M.D.	President
	Peter D. Ashe	Vice President
	Leon Bruschera	Commissioner
	Paul F. Denning	Commissioner
	Bonnie K. Gibson	Commissioner
ABSENT:	John L. Molinari	President, Board of Supervisors
	Clare M. Murphy	General Manager Retirement System

RETIREMENT BOARD

M E E T I N G

Tuesday, September 17, 1985

A meeting of the Retirement Board was conducted to interview potential equity managers for the Retirement System Trust Funds.

The following firms' representatives rendered written and oral presentations describing the styles in which they manage funds:

NEWBOLD'S ASSET MANAGEMENT
LEYLEGIAN INVESTMENT MANAGEMENT
FURMAN SELZ CAPITAL MANAGEMENT, INC.
PROVIDENT CAPITAL MANAGEMENT, INC.

The Board and Staff engaged in a question and answer session with the firms' representatives.

No action was taken on these presentations.

There being no further business,
The Board adjourned at 6:19 p.m.

Clare M. Murphy
General Manager

NOTE: Transcripts of meeting contain reference to meeting items.
Court Reporter: Suzanne Miller, C.S.R.

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

Thursday, September 19, 1985
1:00 p.m.

SF
R55
#3
9/19/85

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PRESENT:	Raymond L. Weisberg, M.D.	President
	Peter D. Ashe	Vice President
	Leon Bruschera	Commissioner
	Paul F. Denning	Commissioner
	Bonnie K. Gibson	Commissioner
ABSENT:	John L. Molinari	President, Board of Supervisors
	Clare M. Murphy	General Manager Retirement System

RETIREMENT BOARD

S P E C I A L M E E T I N G

Thursday, September 19, 1985

A special Meeting of the Retirement Board was conducted to interview potential equity managers for the Retirement System Trust Fund.

The following firms' representatives rendered written and oral presentations describing the styles in which they manage funds.

ASHLAND MANAGEMENT, INC.
HANSON INVESTMENT MANAGEMENT, INC.
VALUE QUEST, LTD.
SHIELDS ASSET MANAGEMENT, INC.

The Board and Staff engaged in a question and answer session with the firms' representatives.

No action was taken on these presentations.

There being no further business, the Board adjourned at 5:55 p.m.

Clare M. Murphy
General Manager

NOTE: Transcripts of meeting contain reference to meeting items.
Court Reporter: Suzanne Miller, C.S.R.

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9/24/85

MINUTES

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RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, SEPTEMBER 24, 1985 10:00 A.M.

PRESENT:

Raymond L. Weisberg, M.D.	President
Peter D. Ashe	Vice-President
Leon Bruschera	Commissioner
Paul F. Denning	Commissioner
Bonnie K. Gibson	Commissioner

ABSENT:

John L. Molinari, President, Board of Supersivors

Clare M. Murphy — General Manager
Retirement System

MINUTES: Minutes of Regular Meeting, September 10, 1985

ACTION: Approve As Submitted

RETIREMENT BOARD

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

a) Voluntary Service Retirement List No. 6-85:

b) Settlement of Disputed Claim - Subrogation:
Gerald A. Brooks $1,750.00

c) Settlement of Disputed Claim - Subrogation:
Glendon A. Melanson $2,000.00

d) Settlement of Disputed Claim - Compromise & Release:
Jean Henwood $18,341.88

e) Settlement of Disputed Claim - Compromise & Release:
Joseph Parra $7,500.00

f) Settlement of Disputed Claim - Compromise & Release:
Chester Smith $14,000.00

g) Request to Withdraw Funds From Deferred Compensation Plan:
Arthur L. Lewis

h) Request to Withdraw Funds From Deferred Compensation Plan:
James Homer Ryan

ACTION: It was moved by Gibson, seconded by Bruschera to adopt the Consent Calendar; motion passed, 4-0.

NOTE: Commissioner Ashe arrived at this time.

REGULAR CALENDAR

ITEM

1. 1984-85 ANNUAL REPORT - HARTFORD VARIABLE LIFE INSURANCE COMPANY:

   Representatives Bob Houghton and Al Kuhn from Hartford Variable Life Insurance Company rendered a written and oral report on the performance of the Deferred Compensation Plan for the fiscal year ending June 30, 1985. The Board reviewed and discussed the report with Hartford's representatives.

   ACTION: No action was taken on the report; information item only.

2. 1984-85 RETIREMENT SYSTEM ANNUAL REPORT - FIRST DRAFT:

   Pam Levesque, Executive Assistant to the General Manager presented the 1984-85 Retirement System's Annual Report. The Board reviewed the draft and made several suggestions. The Board requested the report be presented for final adoption at the next regular meeting.

   ACTION: No action taken; information item only.

3. REQUEST TO ATTEND FIRST CALL TO GENERAL ASSEMBLY CALAPRS, OCTOBER 25, 1985 NEWPORT BEACH, CALIFORNIA:

   ACTION: It was moved by Bruschera, seconded by Gibson to authorize Commissioner Peter D. Ashe to attend this meeting. Commissioner Ashe has been invited to be a speaker; motion passed, 5-0.

4. HEARING OFFICER DECISIONS:

   a) DEL BENE, Joseph
      FIRE - H40 Battalion Chief
      INDUSTRIAL DISABILITY RETIREMENT
      EFFECTIVE DATE: October 4, 1985 — GRANTED

   b) FOGARTY, Eugene F.
      POLICE - q60 Lt.
      INDUSTRIAL DISABILITY RETIREMENT — DENIED

   c) FORKS, Vennie L.
      CONTROLLER - 1404 Clerk
      ORDINARY DISABILITY RETIREMENT
      EFFECTIVE DATE: June 15, 1985 — GRANTED

   d) MYRICK, Edward M.
      REC & PARK - 2708 Custodian
      ORDINARY DISABILITY RETIREMENT
      EFFECTIVE DATE: June 25, 1985 — GRANTED

   e) PENDLETON, Reva
      PH/LHH 2302 Orderly
      ORDINARY DISABILITY RETIREMENT
      EFFECTIVE DATE: October 1, 1984 — GRANTED

   f) ROSSBACH, Herman R.
      POLICE - Q2 Police Officer
      INDUSTRIAL DISABILITY RETIREMENT
      EFFECTIVE DATE: January 22, 1985 — GRANTED

   ACTION: It was moved by ruschera, seconded byGibson to accept the Hearing Officer Decisions; motion passed, 5-0.

SUPPLEMENTAL CALENDAR

ITEM

1. SETTLEMENT OF DISPUTED CLAIM - SUBROGATION - COMPROMISE & RELEASE:

   J. Leo Torre $2,064.95

   ACTION: It was moved by Bruschera, seconded by Denning to approve the above settlement; motion passed, 5-0.

2. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:

   Gary D. Wood $12,000.00

   ACTION: It was moved by Bruschera, seconded by Denning to approve the above settlement; motion passed, 5-0.

3. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:

   Henry Poydras $3,371.80

   ACTION: It was moved by Bruschera, seconded by Gibson to approve the above settlement; motion passed, 5-0.

GENERAL MANAGERS REPORT

THE GENERAL MANAGER REPORTED THAT:

1. She had presented the Board with a memorandum regarding the calendaring of Board meetings for the remainder of the calendar year. The Board and staff decided to proceed with the following schedule:

   TUESDAY - OCTOBER 8, 1985 - 10 AM - EQUITY MANAGER DECISION

   MONDAY - NOVEMBER 4, 1985 - 9 AM - QUARTERLY INVESTMENT MEETING

   TUESDAY - DECEMBER 10, 1985 - 10 AM - CALLAN ASSOCIATES - BOND MANAGER PRESENTATIONS

2. She had furnished the Board with a memorandum regarding the Utah State Real Estate Conference being held in San Francisco November 10-13, 1985. Board members and staff indicated their intentions to attend this seminar.

3. She had furnished the Board with a memordum regarding the status of legislative proposals; specifically the mandatory coverage of Public Employees under Social Security and Medicare. The Board requested staff to notify the Mayor and the Board of Supervisors regarding this matter..

General Managers Report (continued)

4. She wanted to inform the Board that the Institutional Police Officers had completed their initial study regarding their potential transfer to PERS.

There being no further business, the Board adjourned at 11:26 AM.

Clare M. Murphy
General Manager

NOTE: Transcripts of meeting contain reference to meeting items.

Court Reporter: Lucy Carrillo, C.S.R.

September 24, 1985

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9/27/85

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

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Friday, September 27, 1985
1:00 P.M.

PRESENT:

Raymond L. Weisberg, M.D.	President
Peter D. Ashe	Vice-President
Leon Bruschera	Commissioner
Paul F. Denning	Commissioner
Bonnie K. Gibson	Commissioner

ABSENT:

John L. Molinari, President, Board of Supervisors

Clare M. Murphy — General Manager
Retirement System

RETIREMENT BOARD

SPECIAL MEETING

FRIDAY, SEPTEMBER 27, 1985

A meeting of the Retirement Board was conducted to interview potential equity managers for the Retirement System Trust Fund.

The following firm's representatives rendered written and oral presentations describing the styles in which they manage funds:

TRINITY INVESTMENT MANAGEMENT CORPORATION

HAHN, HOLLAND AND GROSSMAN

McCULLOUGH, ANDREWS AND CAPIELLO, INC.

NICHOLAS-APPLEGATE, INC.

The Board and staff engaged in a question and answer session with the firm's representatives.

No action was taken on these presentations.

There being no further business, the Board adjourned at 6:00 P.M.

Clare M. Murphy

Clare M. Murphy
General Manager

NOTE: Transcripts of meeting contain reference to meeting items.

Court Reporter: Suzanne Miller, C.S.R.

SF
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#3
10/8/85

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, OCTOBER 8, 1985 10:00 AM

PRESENT:

RAYMOND L. WEISBERG, M.D.	PRESIDENT
PETER D. ASHE	VICE-PRESIDENT
LEON BRUSCHERA	COMMISSIONER
PAUL F. DENNING	COMMISSIONER
BONNIE K. GIBSON	COMMISSIONER

JOHN L. MOLINARI PRESIDENT, BOARD OF SUPERVISORS

CLARE M. MURPHY GENERAL MANAGER
RETIREMENT SYSTEM

MINUTES: Minutes of Regular Meetings - September 17, 1985
September 24, 1985

Minutes of Special Meetings - September 19, 1985
September 27, 1985

ACTION: Approve As Submitted

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RETIREMENT BOARD

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM

a) VOLUNTARY SERVICE RETIREMENT LISTS; 7-85 and 8-85:

b) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:

Samuel Boykins $ 3,158.89

c) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:

Jeannette Gerwitz $ 1,540.13

d) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:

Michael Ross $ 3,367.50

e) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:

Dereta Parker $10,850.00

f) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:

Maria Catalan $10,000.00

g) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION - COMPROMISE & RELEASE:

Judith Klain $1,173.09

h) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION - COMPROMISE & RELEASE:

Sidney Porter $1,100.00

I) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Lucilla Angeles

J) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

B. Jane Hawthorne

K) REQUEST FOR BIRTHDATE CORRECTION:

Linda Casciola

ACTION: It was moved by Denning, seconded by Bruschera to adopt the Consent Calendar; motion passed, 5-0

NOTE: Commissioner Gibson arrived at this time.

REGULAR CALENDAR

ITEM

1. 1984-85 RETIREMENT SYSTEM ANNUAL REPORT - FINAL ADOPTION:

   Pam Levesque, Executive Assistant to the General Manager presented the 1984-85 Retirement Systems' Annual Report. The Board reviewed and discussed the final draft. There were several additions and corrections made at this time.

   ACTION: It was moved by Gibson, seconded by Denning to adopt the 1984-1985 Retirement System Annual Report; motion passed, 6-0.

2. HEARING OFFICER DECISIONS:

   BRITT, William E.
   FIRE - H40 Battalion Chief
   INDUSTRIAL DISABILITY RETIREMENT — DENIED

   CHURCH, Newton
   PUC-MUNI RR - 9163 T.O.
   ORDINARY DISABILITY RETIREMENT — GRANTED
   EFFECTIVE DATE: APRIL 1, 1985

   COLOMBANO, Louette
   POLICE - Q2 Police Officer
   INDUSTRIAL DISABILITY RETIREMENT — GRANTED
   EFFECTIVE DATE: SEPTEMBER 2, 1985

   DEVINCENZI, Guido
   FIRE - H2 FIREFIGHTER
   INDUSTRIAL DISABILITY RETIREMENT — GRANTED
   EFFECTIVE DATE: JULY 6, 1985

   KUNESH, Donald C.
   REC-PARK - 3416 Gardener
   ORDINARY DISABILITY RETIREMENT — GRANTED
   EFFECTIVE DATE: MARCH 1, 1985

   RANDOLPH, Alberta
   PH/SFGH - 2760 Laundry Worker
   ORDINARY DISABILITY RETIREMENT — GRANTED
   EFFECTIVE DATE: MARCH 1, 1985

   SCHEXNAYDER, Gloria
   PH/LHH - 2302 Orderly
   ORDINARY DISABILITY RETIREMENT — GRANTED
   EFFECTIVE DATE: JUNE 1, 1985

MURPHY, Cornelius
PUC - MUNI RR - 9163 T.O.
ORDINARY DISABILITY RETIREMENT GRANTED
EFFECTIVE DATE: May 1, 1985

ACTION: It was moved by Bruschera, seconded by Denning to accept the Hearing Officer Decisions; motion passed 6-0

INVESTMENTS CALENDAR

ITEM

1. DeWitt Bowman, Chief Investment Officer presented a written and oral report on the Selection of External Equity Managers and Allocation of Funds. Mr. Bowman reviewed the entire process with the Board from initial questionnaire to final selection. The Board engaged in a lengthy question and answer period with Mr. Bowman and staff.

ACTION: It was moved by Denning, seconded by Molinari to accept staff recommendations on the Selection of External Equity Managers and the Allocation of Funds;
In an addedum motion; it was moved by Bruschera, seconded by Ashe to add Shields Asset Management Company to the list of selected equity managers with an allocation of 20 million dollars;
The motion failed, 4-2 (Denning, Gibson, Molinari, Weisberg).
The main motion then passed; 6-0 (see attached report).

The Board complemented the staff for the excellent job in preparing the entire process of the equity manager selection.

Note: Supervisor Molinari left the meeting at this point.

2. PROXY VOTE RE DIGITAL EQUIPMENT:

	FOR	AGAINST
Shareholder Proposal		
Expansion of Employee Stock Purchase and Stock Option Program.	5	0

3. PROXY VOTE RE WANG LAB B.

	1	4
Shareholder Proposal		
Separate Class B and Class C Voting Rights.		

4. PROXY VOTE RE DELTA AIRLINES:

Shareholder Proposals		
1. Issue Preferred Stock	0	5
2. Restriction of Independent Stockholder Action.	1	4
3. Potential Merger would require 75% Shareholder Vote.	5	0

SUPPLEMENTAL CALENDAR

ITEM

1. REQUEST FROM THE CONTROLLER FOR DESTRUCTION OF RECORDS:

   ACTION: It was moved by Gibson, seconded by Denning to approve the request from the Controller for destruction of Records; motion passed, 5-0.

2. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

   Arlene Krouzian $2,500.00

   ACTION: It was moved by Bruschera, seconded by Denning to approve the Settlement of Disputed Claim for Arlene Krouzians; motion passed, 5-0.

3. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

   Edward J. Begley $3,000.00

   ACTION: It was moved by Gibson, seconded by Denning to approve the Settlement of Disputed Claim for Edward J. Begley; motion passed, 5-0.

GENERAL MANAGERS REPORT

The General Manager reported that:

1. She had distributed a copy of the appellate court decision on Catherine Shulda affirming the Retirement Boards decision of 1978 to terminate her disability pension benefits as she is capable of returning to work.

2. The Mayor had presented her State of the City message which included severe restrictions on travel for those departments affected by the General Fund. Also that she will freeze positions that become vacant.

3. She had presented the Retirement Systems cuts before the Finance Committee and we were still awaiting the consequences of their actions.

4. That on Wednesday October 16, 1985 she and staff would be meeting with members of the POA and the Firefighters Association regarding the division of the Hearing Officer assignments.

5. That she had a meeting with representatives from the Controllers Office and Local 790. The Representatives were suggesting the Retirement Fund supply the funding for the Comparable Worth Meal allowance. When the meeting was over the representatives had a better understanding of our funding methodology and realized this would not be an appropriate avenue of funds.

6. That she wanted to remind Board Members the next meeting would be a Quarterly Investment meeting on Monday November 4, 1985 between 9:00 AM and 12:00 Noon.

BOARD MEMBERS

Commissioner Bruschera requested a report on the divestiture proceedings. Mr. Bowman will be supplying that at the next meeting.

Commissioner Denning requested permission to attend the CALAPRS meeting Friday October 25, 1985 in Newport Beach, California.

ACTION: It was moved by Gibson, seconded by Bruschera to approve Commissioner Dennings request to attend the CALAPRS meeting on October 25, 1985 in Newport Beach, California; motion passed, 5-0.

There being no further business, the Board adjourned at 12:50 p.m.

Clare M. Murphy

CLARE M. MURPHY
General Manager

NOTE: Transcripts of meeting contain reference to meeting items.

Court Reporter: Marianne Raulino, C.S.R.

October 8, 1985

City and County of San Francisco

San Francisco City and County
Employees' Retirement System
Investment Division

October 3, 1985

TO: Members of the Retirement Board

FROM: DeWitt Bowman
Chief Investment Officer

THROUGH: Clare M. Murphy
General Manager

SUBJECT: Staff Manager Recommendations

As agreed, we are circulating the attached draft of our recommendations to be made to the Board next Tuesday. Please let me or Clare know of questions or concerns you may have prior to the meeting.

(415) 558-5061 1155 Market Street San Francisco 94103

City and County of San Francisco

San Francisco City and County
Employees' Retirement System
Investment Division

October 3, 1985

TO: Members of the Retirement Board

FROM: DeWitt Bowman
Chief Investment Officer

THROUGH: Clare M. Murphy
General Manager

SUBJECT: Selection of External Equity Managers
and Allocation of Funds

After a comprehensive review of the records, styles, complimentary performance expectations, and presentations of the twelve equity managers reviewed by the Board, our current external managers' performances and styles, and the portfolio asset allocation goals adopted by the Board, the Staff recommends the following action at this time:

1. Eaton Vance, Inc. be terminated as an equity manager.

2. The firms of Furman Selz, Hahn, Holland & Grossman, Hanson Investment, McCullough, Andrews, & Cappiello, and Nicholas-Applegate be hired as new external equity managers.

3. The allocation of funds to equity investment be increased by $16,000,000, and the funds allocated among internal and external management in the following manner:

As of 8/31/85:

Total market value of Fund	$2,169,579,765
Market value of common stock	$ 659,753,691
Common stock percent of Fund	30%

(415) 558-5061 1155 Market Street San Francisco 94103

	Present Allocation		Recommended Allocation	
	Amount	Percent of Common Stock	Amount	Percent of Common Stock
Equity Index Fund	$101,406,693	15.4	$114,513,812	17.0
Internal Equities	60,287,740	9.1	60,287,740	8.9
Eaton Vance	90,025,721	13.6		
Loomis Sayles	145,763,506	22.1	110,000,000	16.3
CIMCO	151,317,892	23.0	100,000,000	14.8
George Springman	110,952,139	16.8	110,952,139	16.4
Furman Selz			50,000,000	7.4
Hahn, Holland			30,000,000	4.4
Hanson Investment			50,000,000	7.4
McCullough, Andrews			30,000,000	4.4
Nicholas-Applegate			20,000,000	3.0
	$659,753,691	100.0	$675,753,391	100.0

The above action would raise the common stock percentage of the Fund to 31%, a move at this time toward our allocation goal of 35%; and an action which the Staff feels appropriate in consideration of current market conditions and the PRI study reviewed at the last investment meeting of the Board.

In terms of allocation among core management and external styles, the changes would produce the following result:

Equity Core			
Equity Index Fund	$114,513,812		
Internal Equities	60,287,740		
	$174,801,552		25.9%
External Managers by Style			74.1%
Aggressive Growth E 1			
Nicholas-Applegate	$ 20,000,000	4.0%	
Growth E 2			
Loomis Sayles	$110,000,000		
Furman Selz	50,000,000		
	$160,000,000	31.9%	
Diversified E 3			
Hanson Investment	$ 50,000,000		
McCullough, Andrews	30,000,000		
	$ 80,000,000	16.0%	
Rotational E 4			
CIMCO	$100,000,000		
Hahn, Holland	30,000,000		
	$130,000,000	26.0%	
Defensive E 5			
George Springman	$110,952,139	22.1%	
	$500,952,139	100.0%	
	$675,753,691		100.0%

In terms of overall investment distribution, the recommended allocation increases the core equity position to one-quarter of total equities which provides a substantial base which should perform in concert with the overall equity market but with a higher income bias. The external managers are then well balanced across the style spectrum with a slightly higher than normal emphasis in growth oriented areas. We feel this to be appropriate in view of the relative unpopularity of this area of the market over the past few years and a strengthening conviction that current security values and changes in the economy will favor this area in the near future. It should also be noted that Furman Selz is not a growth manager in the traditional sense but uses a style that incorporates rotational and defensive elements. For want of a better term, it could be considered as "value growth."

Possible distributions of managers and allocation of funds were reviewed under the Callan optimal portfolio program which projects future performance based on past performance of the managers adjusted for comparable market variability projected on a yield/risk curve. The program is highly artifical in that subjective factors are given no weight, and if the program is run on an unconstrained basis, the results favor the extremes of the style spectrum at the expense of the middle. In general, however, the program did project on a preliminary basis that the recommended manager mix would leave a median annual percentage total return of 16.4% with a standard deviation of 17.7% compared to a current return of 15.2% and a standard deviation of 20.9%. We are having these figures rerun and can discuss them at greater length at the Board meeting.

The following comments concerning the managers who made presentations on a comparative basis with our current managers reflect Staff impressions. All of the managers were good, having survived a rigorous selection process, and subjective impressions will naturally vary more widely than past performance results. The manner in which managers run their business and work with Staff, however, can be an important element in future performance while past figures will not necessarily be achieved in the future. We welcome any Board comments and suggestions and will be pleased to flesh out these comments and supply additional information at the meeting.

Ashland Management Inc.

We were concerned that the firm appeared to consist primarily of the two principals making the presentation and that the record had been achieved with a fairly small number of accounts including private money. Their methodology was not clear.

CIMCO

Although not having had a particularly good record over the past three years, CIMCO appears to be making the right changes to improve. Management has been moved back to San Francisco, a new manager has been appointed who has impressed Staff with his activities, and their style has been more clearly defined. We are still concerned with changes within the Bank, a situation which has to be closely reviewed; but at a reduced allocation, we feel an allocation can be continued.

Eaton Vance

Although past poor performance has been heavily affected by external market factors, we have not been impressed by the method in which changes have been made or by the ability of local management to operate other than a "canned" portfolio. We feel their style spectrum would be more effectively addressed through the combination of Nicholas-Applegate and Loomis Sayles.

Furman Selz

We were impressed by their ability to utilize a large and outstanding research capability as a base for idea-generated investing. This is vastly different from a mechanistic approach of screens and decision points and could provide exceptional opportunities in the proper markets.

Hahn, Holland & Grossman

Although not particularly apparent in the presentation, a technical market approach to investing is the key to their style. This is different from any of our other managers and, in skilled hands, can be a source of excellent performance particularly in an economy without strongly defined trends. Hahn has an exceptional record in the industry, and he and Holland have worked together for over 16 years.

Hanson Investment Management

Although we had perceived Hanson as being a one-man firm, we were impressed by the people he had brought in over the past few years, and the manner in which they appear to compliment and articulate his policies. He has an exceptional local record which is oriented to public funds.

Leylegian Investment Management

This is very much a one-man firm. His record, while good, spans three very different firms which creates concerns about future application. We would also be worried by investment management continuation.

Loomis Sayles

Loomis has had the unfortunate experience of performing well in rising markets but then giving up gains on the downside. We are encouraged by an apparently greater attention to cash management, and a clearer concentration on a growth philosophy. A smaller allocation would reduce the Fund's exposiure to these swings if encountered in the future.

McCullough, Andrews & Cappiello Inc.

Their use of convertibles and concentration on unique, internally researched situations would add a new dimension to the portfolio. Although Cappiello adds a national dimension to the firm, our contacts tend to feel that the good performance they have achieved has been largely dependent on Andrews and McCullough who have both worked together locally for a long time.

Newbold's Asset Management

The firm has had an excellent record and would be Staff's first choice as a replacement for one of the recommended firms. The large company affiliation and size of the firm, however, raise some concerns about the management of an account such as ours with special restrictions.

Nicholas-Applegate, Inc.

We feel there are attractive opportunities in the investment style of Nicholas-Applegate but that it can only be effectively applied in a smaller amount than the other allocations. Their record is pre-eminent in this category.

Provident Capital Management Inc.

Unfortunately a poor presentation detracted from an excellent record. As in the case of Newbold's, however, we felt that the size of the firm might result in some constraints.

Shields Asset Management Inc.

The addition of Ken Safian has added a figure of national investment stature to Shields although it is unclear to us the extent his ideas may have had on Shields past performance when he was acting as a consultant. As a result, we are not comfortable with their stated performance results and did not feel that a clear or consistent investment policy was provided at the presentation.

George Springman

Mr. Springman's record over the past year has been excellent, but we were also pleased that his style is most compatible with the other recommended managers.

Trinity Investment Management Corp.

The Staff was quite interested in their approach to the South African investment restrictions, and their apparent ability to work within a tightly structured system with good results. Subsequent discussions, however, indicated that the firm feels they are reaching their current growth limits and were less than enthusiastic about a substantial new account.

Value Quest, Ltd.

Although the investment approaches of using computer data bases and screening techniques were popular with several firms, and were epitomized by Value Quest, we have questions about their long term superiority as an investment tool in a rational market. The firm appeared to offer few other advantages.

The Staff does have some reservations about the total number of external equity managers that would be employed under the above recommendations, primarily from the standpoint of added costs to the System and whether these would be recovered through sufficiently improved total performance. We are also convinced of the interest of the Board in working with a variety of styles. An improvement to only market level performance of the equity sector of the portfolio, moreover, would substantilly improve total portfolio performance. To assure that the Board and Staff retain proper fiduciary control and that the most efficient use of the varying abilities of a large number of managers can be made, the Staff recommends working under the following procedures:

1. Although not following a formal "farm team" approach, we would bring new managers in at lower allocation levels which would be increased as experience and confidence grows.

2. Continuing manager performance will be monitored and allocations changed as often as quarterly when appropriate to reflect changing markets and conditions.

3. Managers could be terminated on comparatively short notice without having a full three years or full market cycle experience if conditions justify.

4. Compensation for all managers would be based on the market value of assets under management.

5. Managers presentations to the Board would be in a more productive format than at present. Perhaps presentations could be limited to those managers with current problems or where particular information was needed.

The following estimates show the approximate cost changes in employing the additional recommended managers. Fees are based on published schedules which do provide some room for negotiation.

	Current Fee	Projected Fee
Eaton Vance	$200,000	
CIMCO	200,000	$ 200,000 *
Loomis Sayles	225,000	200,000 *
George Springman	200,000	200,000 *
Furman Selz		325,000
Hahn, Holland		200,000
Hanson Invesement		201,000
McCullough, Andrews		150,000
Nicholas, Applegate		200,000
	$825,000	$1,676,000

* Currently under fixed rate schedule. It is assumed that these would be negotiated at a schedule based on market value at a current fee of no more than the current fixed rate.

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MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

MONDAY, NOVEMBER 4, 1985

9:00 A.M.

PRESENT:	Raymond L. Weisberg, M. D.	President
	Peter D. Ashe	Vice President
	Leon Bruschera	Commissioner
	Paul F. Denning	Commissioner
	Bonnie K. Gibson	Commissioner
ABSENT:	John L. Molinari President, Board of Supervisor	
	CLARE M. MURPHY	General Manager Retirement System

MINUTES: Minutes of Regular Meeting, October 8, 1985.

ACTION: Approved as Submitted

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RETIREMENT BOARD

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST; 9-95:

b) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:
DOUGLAS CARR $ 2,952.97

c) SETTLEMENT OF DISPUTED CLAIM - SUBOGATION - COMPROMISE & RELEASE:
DONALD CONDENCIA $12,000.00

d) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:
ABRAHAM GUERRA $ 2,332.05

e) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:
CHARLES HALVORSEN $16,600.00

f) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:
BRENDA HARLEY $ 4,050.26

g) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:
GEORGE HUNTER $ 4,000.00

h) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:
ALLEN KUMPULA, JR. $ 2,619.00

i) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION - COMPROMISE & RELEASE:
MARIA E. LUNA $ 1,803.87

j) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION - COMPROMISE & RELEASE:
NELSON MANUEL $ 6,000.00

k) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION - COMPROMISE & RELEASE:
ERIC MARCOUX $ 900.00

l) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:
BENJAMIN McALISTER $ 7,500.00

m) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:
STEPHEN ORTIZ $ 1,557.95

n) SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:
EDWARD YOUNG $ 592.25

(Continued next page)

ITEM

o) REQUEST TO WITHDRAW FUNDS FROM THE DEFERRED COMPENSATION PLAN:
JANE ANN CAMPBELL

p) REQUEST TO WITHDRAW FUNDS FROM THE DEFERRED COMPENSATION PLAN:
MARIA CARMODY

q) REQUEST TO WITHDREAW FUNDS FROM THE DEFERRED COMPENSATION PLAN:
NADINE SMITH

r) STAFF REQUEST TO DISMISS INDUSTRIAL DISABILITY RETIREMEN APPLICATION:
EARL GAGE

s) STAFF REQUEST TO DISMISS APPLICATION FOR CONTINUATION OF BENEFITS:
JUDITH ROSSBACH (Widor of James)

t) STAFF REQUEST TO DISMISS ORDINARY DISABILITY RETIREMENT APLLICATION:
GEORGE WAYNE

u) REQUEST TO CORRECT DATE OF BIRTH:
ELIZABETH NORRITO

v) REQUEST TO CORRECT DATE OF BIRTH:
RUTH STEWART

w) STAFF REQUEST FOR DESTRUCTION OF RECORDS FROM PUBLIC HEALTH:

ACTION: It was moved by Denning, seconded by Bruschera to adopt the Consent Calendar; motion passed, 4-0

REGULAR CALENDAR

ITEM

1. HEARING OFFICER DECISIONS;

a) ALEXANDER, Willie
Social Services - 2903 Eligibility Worker
Ordinary Disability Retirement
Effective Date: June 1, 1985 — GRANTED

b) EMIL, Edgar J.
Police - Lieutenant
Industrial Disability Retirement — DENIED

c) FERGUSON, Tilford
Muni RR - 7410 Automotive Service worker
Ordinary Disability Retirement
Effective Date: February 1, 1985 — GRANTED

d) HAYLES, Ernest E. Sr.
Muni RR - 9163 T. O.
Ordinary Disability Retirement
Effective Dare: November 1, 1983 — GRANTED

e) KAFKA, Robert L.
Industrial Disability Retirement
Police - Lieutenant — DENIED

f) LINDGREN, Arvid
Police - Police Officer
Industrial Disability Retirement
Effective Date: July 11, 1984 — GRANTED

g) RENSTROM, Conrad W. Jr.
Ordinary Disability Retirement
Recorder - 1404 Clerk
Effective Date; August 3, 1985 — GRANTED

h) SULLIVAN, Joseph A.
Industrial Disability Retirement
Fire - H50 Asst. Fire Chief
Effective Date: March 7, 1985 — GRANTED

i) SURVINE, DeMaster
Ordinary Disability Retirement
Muni RR - 9163 T. O.
Effective Date: February 1, 1985 — GRANTED

ACTION: It was moved by Denning, seconded by Bruschera to accept the Hearing Officer Decisions; motion passed, 4-0.

SUPPLEMENTAL CALENDAR

ITEM

1. SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:

   Donoso Cortes $ 1,188.00

2. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

   B. Jane Hawthorne

3. STAFF REQUEST TO DISMISS APPLICATION FOR CONTINUATION:

   Manuel Lehua

4. SETTLEMENT OF DISPUTED CLAIM - SUBROGATION;

   John Canada $ 1,527.11

NOTE: The Commissioners agreed to hear the Supplemental Calendar as a group instead of acting on each item separately.

ACTION: It was moved by Denning, seconded by Bruschera to adopt the Supplemental Calendar; motion passed, 4-0.

INVESTMENTS CALENDAR

ITEM

1. STAFF REPORT ON PERFORMANCE OF INTERNAL AND EXTERNAL FIXED INCOME MANAGERS FOR THE PERIOD ENDING SEPTEMBER 30, 1985:

   Diane Gale, Assistant Chief of Investments presented a written and oral report on The Performance of the Retirement System's Internal and External Fixed Income Managers for the period ending September 30, 1985. Ms. Gale summarized the activities of these managers in relation to the styles for which they were hired. She also discussed the internal portfolio's performance and the relationship to the style in which the portfolio is managed. The Board reviewed and discussed the results with Ms. Gale. No action was taken by the Board on this report.

2. STAFF REPORT ON PERFORMANCE OF INTERNAL AND EXTERNAL EQUITY MANAGERS FOR THE PERIOD ENDING SEPTEMBER 30, 1985:

   Carolyn Hamilton, Assistant Chief of Investments rendered a written and oral report on the performance of the Internal and External Equity Managers for the period ending September 30, 1985. Ms. Hamilton summarized the activities of these managers in relation to the styles for which they were hired. She also discussed the internal equity portfolio's performance in relation to the way it is managed. The Board engaged in a question-and-answer session with Ms. Hamilton. No action was taken by the Board on this report.

   NOTE: Commissioner Gibson arrived at this time.

3. STAFF RECOMMENDATION ON ALLOCATION OF FUNDS FOR THE PERIOD ENDING JANUARY 31, 1985.

   DeWitt Bowman presented to the Board a recommended policy for the investment and alloction of funds for the period ending January 31, 1985.

ACTION: It was moved by Bruschera, seconded by Gibson to approve staff's recommendation on the allocation of funds for the period ending January 31, 1985; motion passed, 5-0.

4. CHIEF INVESTMENT OFFICER'S REPORT.

   The Chief Investment Officer reported that:

   a. He had presented The Board with a report on the structure of management fees for outside investment firms. The Board reviwed and discussed the report with Mr. Bowman.

b. He had submitted a progress report on South African Divestment. The Board reviewed the progress staff has made in divesting funds from companies that do business in South Africa.

c. He had three Proxy votes for their consideration:

1. Proxy vote RE Potlatch Corporation:

	FOR	AGAINST
Shareholder Proposal Company proposal on votes allowed per share of stock held	0	5

2. Proxy vote RE: Campbell Soup Company:

Shareholder Proposal 1.	FOR	AGAINST
No charitable contributions should be made unless to further business interests.	2	3
Shareholder Proposal 2 Limits on granting of Stock Options	0	5

GENERAL MANAGER'S REPORT

The General Manager reported that:

1. A memo had been presented to them regarding various luncheon and dinner invitations for the next several months.

2. The Workers' Compensation Division was moving on Friday, November 15, 1985 and that in late January Compensation staff would be hosting a Tour and Luncheon for Board members.

BOARD MEMBERS

Commissioner Peter D. Ashe requested The Board's permission to discuss a personnel issue in closed session.

EXECUTIVE SESSION

The Board went into a closed session to discuss a personnel issue. The Board reconveyned in Open Session and reported that no action had been taken while they were in closed session.

There being no further business, The Board adjourned at 12:35 p.m.

Clare M. Murphy

CLARE M. MURPHY
General Manager

NOTE: Transcripts of meeting contain reference to meeting items.

Court Reporter: Marianne Boyd, C.S.R.

November 4, 1985.

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MINUTES

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RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, DECEMBER 10, 1985 - 10:00 A.M.

PRESENT:	Raymond L. Weisberg, M.D.	President
	Peter D. Ashe	Vice President
	Leon Bruschera	Commissioner
	Paul F. Denning	Commissioner
	Bonnie K. Gibson	Commissioner
ABSENT:	John L. Molinari	President, Board of Supervisors
	CLARE M. MURPHY	General Manager Retirement System

MINUTES: Minutes of Regular Meeting, November 4, 1985

ACTION: Approved as Submitted

RETIREMENT BOARD

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM

a) VOLUNTARY SERVICE RETIREMENT LISTS 10-85, 11-85, 12-85:

b) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Mario Amoroso $24,000.00

c) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Bernard Becker $ 4,000.00

d) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE THIRD PARTY:
John Flowers $20,000.00

e) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Sigmond Girande $ 6,500.00

f) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Olin Merritt $ 5,700.00

g) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Daniel O'Connell $10,000.00

h) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Alice Oriarte $19,000.00

i) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Larry A. Piol $ 1,755.60

j) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Matthew V. Plescia $ 48.00

k) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Clyde Sanders $ 5,000.00

l) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Elizabeth Toland (Richard H. Toland, Dec'd) $30,000.00

m) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Florence Irene Weed $31,195.00

n) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PROGRAM:
Robert A. Clark

o) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PROGRAM: Joyce A. Evans

p) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PROGRAM: Romulo Fontanilla

q) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PROGRAM: Antonio Guevara

r) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PROGRAM: Narcisa Gonzalez

s) REQUEST FROM THE CONTROLLER FOR DESTRUCTION OF RECORDS:

ACTION: The Board reviewed and added Voluntary Service Retirement List 12-85 and it was moved by Ashe, seconded by Bruschera to adopt the Consent Calendar; motion passed 4-0.

INVESTMENTS CALENDAR

ITEM

1. CALLAN ASSOCIATES - INVESTMENT REVIEW FOR THE QUARTER ENDING SEPTEMBER 30, 1985.

   A representative of Callan Associates, Mr. Ron Peyton, presented a written and oral report to the Board on the measurement of the Retirement System's investment portfolio for the quarter ending September 30, 1985. Following completion of the oral report, Board Members, staff and Mr. Peyton exchanged comments on the contents of the reports. No action was taken by the Board on the reports.

   NOTE: Commissioner Denning arrived at this time.

2. PRESENTATION BY EXTERNAL FIXED INCOME MANAGERS FOR THE QUARTER ENDING SEPTEMBER 30, 1985:

   Representatives of the following firms, investment managers of the fixed income portion of the Retirement System's portfolio, rendered written and oral reports to the Board on the status of the fixed income investments for the quarter ending September 30, 1985:

   a. Bankers Trust Company
   b. Lehman Asset Management
   c. Mackay Shields Financial
   d. Scudder, Stevens & Clark Inc.

Board members and representatives of the firms exchanged view points and comments on portfolio performance and on matters concerning current and projected economic conditions.

3. PROPOSED AMENDMENT TO THE INVESTMENT STRATEGIC PLAN:

DeWitt Bowman, Chief Investment Officer, presented a written Amendment to the Investment Strategic Plan. The Board reviewed the proposed changes and engaged in a question and answer period with Mr. Bowman.

ACTION: It was moved by Gibson, seconded by Bruschera to accept staff's recommendation to amend the Investment Strategic Plan; motion passed, 3 - 2 (Ashe, Denning).

4. PERFORMANCE REPORT ON EQUITY REAL ESTATE HOLDINGS FOR THE QUARTER ENDING SEPTEMBER 30, 1985:

Carolyn Hamilton, Assistant Chief of Investments rendered a written and oral report on The Performance of The Equity Real Estate Holdings for the Quarter Ending September 30, 1985. The Board engaged in a question and answer session with Ms. Hamilton regarding various real estate holdings of The Retirement Fund.

5. CHIEF INVESTMENT OFFICER REPORT:

DeWitt Bowman, the Chief Investment Officer reported that:

a. He submitted a recommendation to establish a special asset sector that would include Venture Capital. The Board reviewed the recommendation favorably and decided to address the issue more fully in 1986.

b. He presented a priority schedule for 1986 Investment Division Projects. The Board discussed this schedule and agreed to the proposed schedule.

c. He had distributed a memo updating the Board on Restricted U.S. Companies doing business in South Africa. The Board discussed several of the companies. This was an informational item.

d. He presented a progress report on the status of the New Equity Managers. The Civil Service Commission approved all contracts and many of the managers are already fully funded.

REGULAR CALENDAR

ITEM

1. RESOLUTION COMMENDING FRANK BYRNE:

   ACTION: By unanimous acclamation, the Board adopted the Resolution herewith attached, commending Frank Byrne on his pending Retirement for the City and County of San Francisco.

2. RESOLUTION COMMENDING THOMAS R. GERUGHTY:

   ACTION: By unanimous acclamation, the Board adopted the Resolution herewith attached, commending Thomas R. Gerughty on his pending retirement from the City and County of San Francisco.

3. ADJUSTMENT OF RETIREMENT ALLOWANCE:

   Joseph E. Mason Jr. - 50% to 54%

   ACTION: By a Ballot vote of 5 - 0, the Board approved the adjustment of Joseph E. Mason Jr.'s retirement allowance from 50% to 54% effective August 1, 1975.

4. ADJUSTMENT OF RETIREMENT ALLOWANCE:

   William Moore - 72% to 90%

   ACTION: By a ballot vote of 5 - 0, the Board approved the adjustment of William Moore's retirement allowance from 72% to 90% effective October 25, 1984.

5. REQUEST TO ATTEND CALLAN INVESTMENTS INSTITUTE JANUARY 23-24, 1986 SAN FRANCISCO, CA:

   The General Manager presented the agenda for the CALLAN Investment Institute and requested permission of selected staff and Board members to attend.

   ACTION: It was moved by Denning, seconded by Ashe to authorize selected Board members and staff to attend the Callan Investments Institute, January 23-24, in San Francisco, CA.; motion passed,5-0.

6. HEARING OFFICER DECISIONS:

   a) BROOKS, Gerald A.
      MUNI - Transit Operator
      ORDINARY DISABILITY
      EFFECTIVE DATE: December 1, 1984 GRANTED

   b) ISHIDA, Kikuko
      PH/SFGH - Registered Nurse
      ORDINARY DISABILITY
      EFFECTIVE DATE: July 27, 1985 GRANTED

c) LINGSCH, Norman F.
FIRE - Lieutenant
INDUSTRIAL DISABILITY — DENIED

d) McINERNEY, Marion (Mortimer)
POLICE DEPARTMENT
CONTINUATION — GRANTED

e) MALLOY, Thomas
REC&PARK - General Manager
ORDINARY DISABILITY
EFFECTIVE: November 1, 1985 — GRANTED

f) NEWTON, Rosie Lee
PH/LHH - Sewing Technician
ORDINARY DISABILITY
EFFECTIVE DATE: January 1, 1983 — GRANTED

g) NOBLE, Earnestine
PH/SFGH - Clerk
ORDINARY DISABILITY
EFFECTIVE DATE: July 1, 1985 — GRANTED

h) O'BRIEN, James E.
FIRE DEPARTMENT - Firefighter
INDUSTRIAL DISABILITY — DENIED

i) SHAPIRO, Irving W.
SFUSD - Teacher
ORDINARY DISABILITY
EFFECTIVE DATE: June 1, 1985 — GRANTED

ACTION: It was moved by Bruschera, seconded by Denning to accept the Hearing Officer Decisions; motion passed 5 - 0.

GENERAL MANAGER'S REPORT

The General Manager reported that:

1. She wanted to extend an invitation to the Retirement System Staff luncheon being held at Chic's Place Friday December 20, 1985. All Board members interested should notify her as soon as possible.

2. The Elections to fill the unexpired term of Retired Commissioner Warren DeMerritt and the full term that is expiring in February 4 of Commissioner Leon Bruschera are coming to an end Friday December 13, 1985. Ms. Murphy will notify the Board of the results as soon as they are available.

3. She and Mr. Rudy Hernandez discussed the Preliminary Review of the 1986-1987 Retirement System Budget. The Budgetary process is beginning much earlier this year and the major chance is that no requests for additional items will be presented. A 90% Budget and 100% Budget of the previous year will be submitted at the end of December. The Board will receive the final copy for adoption at the January meeting.

There being no further business,
The Board adjourned at 3:50 p.m.

Clare M. Murphy

CLARE M. MURPHY
General Manager

NOTE: Transcripts of meeting contain reference to meeting items.

Court Reporter: Lucy Cabrillo

December 10, 1985.